Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of KKR MANAGEMENT LLP *Transferor*, PONTEGADEA INVERSIONES, S.L., *Transferee*, TELXIUS CABLE AMÉRICA, S.A. TELXIUS CABLE USA, INC. TELXIUS CABLE PUERTO RICO, INC., AND TELXIUS CABLE COLOMBIA, S.A., *Licensees*, Application for Consent to Transfer Certain Negative Control Rights over Cable Landing License Interests	File Nos. SCL-T/C-2022-____________ SCL-T/C-2022-____________ SCL-T/C-2022-____________ SCL-T/C-2022-____________

CONSOLIDATED APPLICATION FOR CONSENT TO TRANSFER CERTAIN NEGATIVE CONTROL RIGHTS OVER CABLE LANDING LICENSE INTERESTS— STREAMLINED PROCESSING REQUESTED

Pursuant to 47 U.S.C. § 34, Executive Order No. 10,530, and 47 C.F.R. § 1.767, KKR Management LLP ("KKR Management") and Pontegadea Inversiones, S.L. ("Pontegadea") apply for Commission consent to transfer certain negative control rights over cable landing license interests held by Telxius Cable América S.A. ("Telxius América"), Telxius Cable USA, Inc. ("Telxius USA"), Telxius Cable Puerto Rico, Inc. ("Telxius Puerto Rico"), and Telxius Cable Colombia, S.A. ("Telxius Colombia," together with Telxius América, Telxius USA, and Telxius Cable Puerto Rico, the "Telxius Cable Landing Licensees," together with KKR Management and Pontegadea, the "Applicants") from KKR Management to Pontegadea. Telefónica, S.A. ("Telefónica") holds—and will continue to hold, as described below—indirect, *de jure* control of the Telxius Cable Landing Licensees. Pontegadea currently holds an indirect, minority voting and equity interest in the Telxius Cable Landing Licensees.

In a series of transaction steps agreed on February 1, 2022, (collectively, the "Proposed Transaction"), the 40-percent voting and equity interest and negative control rights currently indirectly controlled (as that concept is defined in 47 C.F.R. § 63.09(b)) by KKR Management will be acquired and reorganized such that Telefónica and Pontegadea will increase their indirect voting and equity interests in the Telxius Cable Landing Licensees, and Pontegadea will also acquire certain negative control rights over the Telxius Cable Landing Licensees. Subject to receipt of regulatory consents and clearances and satisfaction of other customary closing conditions, the parties expect to close the Proposed Transaction in the third calendar quarter of 2022.[1]

Consummation of the Proposed Transaction will serve the public interest, convenience, and necessity by ensuring the continued growth of Telxius Telecom, S.A. ("Telxius Parent") and its subsidiaries (collectively, "Telxius"). Pontegadea will continue to partner with Telefónica to optimize Telxius's existing assets and, eventually, to support investment in new infrastructure in Europe and the Americas. The Proposed Transaction will also streamline and simplify the capital and ownership structures of the Telxius Cable Landing Licensees.

The Proposed Transaction raises no public-interest concerns that would warrant an extended review or transaction-specific conditions for consent. Indeed, this consolidated application qualifies for presumptive streamlined processing under 47 C.F.R. § 1.767(k)(1), as Pontegadea is not affiliated with any foreign carriers in any foreign destination market.

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1 Concurrent with this application, the parties have also filed an application to transfer certain negative control rights over international Section 214 authority held by Telxius USA and Telxius Puerto Rico.

Moreover, the Proposed Transaction would create no new combinations that would adversely affect competition in any geographic market for submarine cable capacity.

I. BACKGROUND

A. Relevant Parties

1. Telefónica, S.A. ("Telefónica")

Telefónica currently holds, and will continue to hold following the consummation of the Proposed Transaction, *de jure* control over Telxius Parent. As shown in the pre-consummation ownership chart in **Exhibit A**, Telefónica holds its existing interest in the Telxius Cable Landing Licensees through an intermediate holding company, Pontel Participaciones, S.L. ("Pontel") in which it holds an 83.35-percent voting and equity interest. Pontel, in turn, holds a 60-percent voting and equity interest in Telxius Parent. Telefónica is one of the world's largest telecommunications providers with 330 million customers and a strong presence in 13 countries. Its subsidiaries also provide services under the Movistar, O_2, and Vivo brands. It is a Spanish corporation headquartered in Madrid, Spain. Its shares trade publicly on the Bolsa de Madrid, and its American Depositary Receipts ("ADRs") trade on both the New York Stock Exchange and the Lima Stock Exchange. Telefónica has no 10-percent-or-greater direct or indirect owners.

2. KKR Management LLP ("KKR Management")

KKR Management is deemed to exercise indirect control Taurus Bidco S.à r.l. ("Taurus Bidco"), the Seller in the Proposed Transaction, and is the ultimate transferor in the Proposed Transaction, as shown in **Exhibit B**. KKR Management holds the sole share of Series I preferred stock of KKR & Co., Inc. ("KKR & Co.," and together with its subsidiaries, "KKR"), which is entitled to vote on practically all matters submitted to a vote of the stockholders of KKR & Co. (including election of the board of directors of KKR & Co.), except for those reserved for the vote of holders of common stock. KKR & Co. is a Delaware corporation and a global investment firm that offers alternative asset management and capital markets and insurance solutions, and sponsors investment funds that invest in private equity, credit and real assets and have strategic partners that manage hedge funds. KKR Management is a Delaware limited-liability partnership headquartered in New York, New York. KKR Management is owned by senior KKR employees, and KKR Management holds no economic interest in KKR & Co.

3. Taurus Bidco S.à r.l. ("Taurus Bidco")

Taurus Bidco is the seller in the Proposed Transaction. As shown in the pre-consummation ownership chart in **Exhibit A**, it holds a 40-percent voting and equity interest and certain negative control rights that could provide it with *de facto* control over the Telxius Cable Landing Licensees. It acquired these interests from Telefónica in 2017 following a grant of Commission consent.[2] KKR Management is deemed to have indirect control over Taurus Bidco, which is a special-purpose investment vehicle created for certain KKR-sponsored private equity funds and co-investment vehicles to invest indirectly in Telxius Parent. Taurus Bidco is a Luxembourg private limited company headquartered in Luxembourg.

3. Pontegadea Inversiones, S.L. ("Pontegadea")

Pontegadea is the ultimate transferee in the Proposed Transaction. Pontegadea currently holds a 16.65-percent voting and equity interest in Pontel. It is the investment company of Mr. Amancio Ortega Gaona and his family. It is a Spanish *sociedad limitada*, similar to a limited liability company, headquartered in the northern Spanish city of A Coruña. Pontegadea holds diverse investments in various economic sectors and geographic regions, including a controlling

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[2] *Actions Taken Under Cable Landing License Act*, Public Notice, 32 FCC Rcd. 7514 (Int'l Bur. 2017).

investment in Industria de Diseño Textil, S.A. ("Inditex," the parent company of retail brands Zara, Zara Home, Bershka, Massimo Dutti, Oysho, Pull & Bear, Stradivarius, and Uterqüe) and real estate in urban markets worldwide. Pontegadea acquired a 16.65-percent indirect voting and equity interest in Pontel in 2018, giving it a 9.996-percent indirect voting and equity interest in the Telxius Cable Landing Licensees on a fully diluted basis.

4. Pontel Participaciones, S.L. ("Pontel")

Pontel is the buyer in the first step of the Proposed Transaction. It currently holds a 60-percent voting and equity interest in Telxius Parent. Following the consummation of all steps in the Proposed Transaction, it will be merged into Telxius Parent, with Telxius Parent surviving, and Telefónica and Pontegadea will hold their interests directly in Telxius Parent. Pontel operates as a holding company and is a Spanish *sociedad limitada* headquartered in Madrid.

5. Telxius Telecom, S.A. ("Telxius Parent")

Through its operating subsidiaries, Telxius Parent owns and operates submarine cables in the Americas and Europe. It is a Spanish private company headquartered in Madrid, Spain. The Telxius submarine cable infrastructure business was originally known as Emergia and later Telefónica International Wholesale Services but rebranded as Telxius in 2016. In 2016, Telefónica created Telxius Parent as a holding company for all of its submarine cable infrastructure assets and a significant percentage of its wireless tower infrastructure (with none of the wireless tower infrastructure located in the United States). In 2017 it consummated the two-stage sale of a 40-percent voting and equity interest in Telxius, including certain negative control rights, to Taurus Bidco. Telxius Parent sold its wireless tower infrastructure business to American Tower Corporation in 2021.

6. Telxius Cable América, S.A. ("Telxius América")

Telxius Cable América manages Telxius Parent's submarine cable infrastructure business in the Americas. Telxius Cable América is a Uruguayan corporation headquartered in Montevideo, Uruguay. It is a wholly-owned subsidiary of Telxius Parent. Telxius Cable América is a joint cable landing licensee for the following submarine cable systems licensed by the Commission:

1. ***BRUSA***. The BRUSA system connects Virginia Beach, Virginia; San Juan, Puerto Rico; and Fortaleza and Rio de Janeiro, Brazil.[3] It is wholly owned by subsidiaries of Telxius Parent, including Telxius América, Telxius USA, and Telxius Puerto Rico.[4] BRUSA entered commercial service on July 31, 2018.[5]
2. ***Marea***. The Marea system connects Virginia Beach, Virginia with Bilbao, Spain.[6] It is owned jointly by a consortium of Telxius Cable América, Telxius USA, Edge Network Services Limited, and Microsoft Corporation. Edge Cable Holdings USA, LLC, and Microsoft Infrastructure Group, LLC, are joint cable landing licensees.[7] Marea entered commercial service on March 27, 2018.[8]

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[3] *Actions Taken Under Cable Landing License Act*, Public Notice, 32 FCC Rcd. 6524 (Int'l Bur. 2017) ("*BRUSA Cable Landing License*"); FCC File No. SCL-LIC-20160330-00011.

[4] *Id.*

[5] *Actions Taken Under Cable Landing License Act*, Public Notice, 33 FCC Rcd. 8211 (Int'l Bur. 2018).

[6] *Actions Taken Under Cable Landing License Act*, Public Notice, 32 FCC Rcd. 3791 (Int'l Bur. 2017) ("*Marea Cable Landing License*"); FCC File No. SCL-LIC-20160525-00012.

[7] *Id.*

[8] *Actions Taken Under Cable Landing License Act*, Public Notice, 33 FCC Rcd. 8211 (Int'l Bur. 2018).

3. ***Pacific Caribbean Cable System ("PCCS")***. PCCS connects Jacksonville, Florida; Tortola, British Virgin Islands; San Juan, Puerto Rico; Hudishibana, Aruba; Cartagena, Colombia; Maria Chiquita and Balboa, Panama; and Manta, Ecuador.[9] It is a consortium system jointly owned by Telxius Cable América, Telxius USA, Telxius Puerto Rico, Cable and Wireless (British Virgin Islands) Limited, Cable & Wireless (EWC) Limited, Cable & Wireless Panama S.A., Servicio Di Telecomunicacion Di Aruba N.V. (SETAR), Cable Andino Inc., Cable Andino USA, Inc., Cable Andino S.A. Corpandino, and Antelecom N.V., all of which are joint cable landing licensees.[10] PCCS entered commercial service on January 31, 2015.[11]

4. ***South America-1 ("SAm-1")***. The SAm-1 system connects Boca Raton, Florida; Isla Verde, Puerto Rico; Fortaleza, Rio de Janeiro, Salvador, and Santos, Brazil; Las Toninas, Argentina; Valparaiso and Arica, Chile; Lurin and Mancora, Peru; Punta Carnero, Ecuador; Puerto San José and Puerto Barrios, Guatemala; and Barranquilla, Colombia.[12] It is also authorized to connect Punta, Cana, Dominican Republic,

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9 *Telefónica International Wholesale Services USA, Inc.*, Order and Authorization, 29 FCC Rcd. 496 (Int'l Bur. 2014) ("*PCCS Cable Landing License*"); FCC File No. SCL-LIC-20130122-00001.

10 *Id.*

11 *See* Letter from Kent Bressie, Harris, Wiltshire & Grannis LLP as Counsel for Telxius Cable Landing Licensees, to FCC Secretary Marlene H. Dortch, FCC File No. SCL-LIC-20130122-00001 (filed June 20, 2018).

12 *Telefónica SAM USA, Inc., and Telefónica SAM de Puerto Rico, Inc.*, Cable Landing License, 15 FCC Rcd. 14,915 (Int'l Bur. 2000) ("*SAm-1 Cable Landing License*"); FCC File No. SCL-LIC-20000204-00003; *Actions Taken Under Cable Landing License Act*, Public Notice, 22 FCC Rcd. 6630 (Int'l Bur. 2007) (granting modification of cable landing license to add Colombia landing point); FCC File No. SCL-MOD-20061207-00012; *Actions Taken Under Cable Landing License Act*, Public Notice, 33 FCC Rcd. 7413 (Int'l Bur. 2018) (adding *pro forma* condition to SAm-1 cable landing license); FCC File No. SCL-MOD-20180625-00016; *Actions Taken Under Cable Landing License Act*, Public Notice, 35 FCC Rcd. 1974

although that segment is not yet in commercial service.[13] SAm-1 is wholly owned by subsidiaries of Telxius Parent, including Telxius América, Telxius USA, and Telxius Puerto Rico.[14] SAm-1 entered commercial service on March 26, 2001.[15]

All four submarine cable systems are subject to letters of assurances executed by Telxius USA for the benefit of the U.S. Departments of Homeland Security and Defense (in the case of BRUSA, Marea, and SAm-1) and the U.S. Department of Homeland Security in the case of PCCS. Those agencies have already been notified of the Proposed Transaction.

7. Telxius Cable USA, Inc. ("Telxius USA")

Telxius USA is the principal U.S. operating subsidiary of Telxius Parent. It offers wholesale submarine cable capacity on a non-common-carrier basis to carriers, Internet service providers, and content providers in the United States. It does not offer any services to consumers. It is a Florida corporation headquartered in Miami, Florida. It is a joint cable landing licensee for the BRUSA, Marea, PCCS, and SAm-1 systems.[16] It also holds international Section 214 authority for global facilities-based and global resale services.[17]

(Int'l Bur. 2020) (granting modification of cable landing license to add Punta Carnero, Ecuador, and Máncora, Peru landing points); FCC File No. SCL-MOD-20190826-00028.

[13] *Actions Taken Under Cable Landing License Act*, Public Notice, 34 FCC Rcd. 12,207 (Int'l Bur. 2019) (granting modification of cable landing license to add Dominican Republic landing point); FCC File No. SCL-MOD-20180905-00032.

[14] *SAm-1 Cable Landing License*, 15 FCC Rcd. at 14,915.

[15] *See* Letter from Kent Bressie, Harris, Wiltshire & Grannis LLP as Counsel for Telxius Cable Landing Licensees, to FCC Secretary Marlene H. Dortch, FCC File No. SCL-LIC-20000204-00003 (filed June 20, 2018).

[16] *BRUSA Cable Landing License*, 32 FCC Rcd. at 6524; *Marea Cable Landing License*, 32 FCC Rcd. at 3791; *PCCS Cable Landing License*, 29 FCC Rcd. at 496; *SAm-1 Cable Landing License*, 15 FCC Rcd. at 14,915.

[17] FCC File Nos. ITC-214-20080709-00314, ITC-214-20040518-00203.

8. Telxius Cable Puerto Rico, Inc. ("Telxius Puerto Rico")

Telxius Puerto Rico is the Puerto Rico operating subsidiary of Telxius Parent. It offers wholesale submarine cable capacity to carriers, Internet service providers, and content providers in Puerto Rico. It does not offer any services to consumers. It is a Puerto Rico corporation headquartered in Miami, Florida. It is a joint cable landing licensee for the BRUSA, PCCS, and SAm-1 systems.[18] It also holds international Section 214 authority for global facilities-based and global resale services.[19]

9. Telxius Cable Colombia, S.A. ("Telxius Colombia")

Telxius Colombia is the Colombian operating subsidiary of Telxius Parent. It offers wholesale submarine cable capacity to carriers, Internet service providers, and content providers in Colombia. It is a Colombian corporation headquartered in Bogotá, Colombia. It is a joint cable landing licensee for the PCCS system.[20]

B. The Proposed Transaction

In the Proposed Transaction, Taurus Bidco's interests will be acquired by Telefónica and Pontegadea, the two other existing indirect shareholders of the Telxius Cable Landing Licensees. Consummation of the Proposed Transaction will result in Telefónica retaining *de jure* control and Pontegadea acquiring interests and negative control rights that could be deemed to constitute *de facto* control. This will be accomplished by three agreements:

1. Taurus Bidco and Pontel entered into a Share Purchase and Sale Agreement dated February 1, 2022, pursuant to which Pontel will acquire from Taurus Bidco

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[18] *BRUSA Cable Landing License*, 32 FCC Rcd at 6524; *PCCS Cable Landing License*, 29 FCC Rcd. at 496; *SAm-1 Cable Landing License*, 15 FCC Rcd. at 14,915.

[19] FCC File No. ITC-214-20131121-00316.

[20] *PCCS Cable Landing License*, 29 FCC Rcd. at 496.

104,000,000 of Telxius Parent's ordinary shares (with Telxius Parent having only one class of shares), representing 40.0 percent of the ordinary shares outstanding, and certain negative control rights (detailed in part I.C below) over Telxius Parent. As consideration for the shares, Taurus Bidco will receive €215,657,796, subject to application of specified ticking fees and price adjustments.

2. On the closing date, Telefónica, Pontegadea, Pontel, and Telxius Parent will enter into a Shareholder Agreement (described in greater detail in part I.C below), the text of which has already been agreed and pursuant to which Pontegadea will acquire certain negative control rights over shareholder, board of directors, and third-party-transaction matters of Pontel and, upon completion of a restructuring eliminating Pontel from the ownership structure, Telxius Parent.

3. Simultaenously with the completion of Pontel's acquisition of the Taurus Bidco interests in Telxius Parent and in accordance with the Investment and Non-Terminating Novation Agreement executed on February 1, 2022, Telefónica and Pontegadea will carry out a capital increase that will result in Telefónica holding a 70-percent voting and equity interest in Pontel and Pontegadea holding a 30-percent voting and equity interest in Pontel. As soon as possible thereafter, Telefónica and Pontel will restructure their interests by merging Pontel into Telxius Parent, with Telxius Parent surviving, such that Telefónica and Pontegadea will hold their interests directly in Telxius Parent.

Exhibits A and **B** show the pre-consummation ownership and control of the Telxius Cable Landing Licensees. **Exhibit C** shows the post-consummation ownership and control of the Telxius Cable Landing licensees. **Exhibit D** shows the post-consummation ownership and control of the Telxius Cable Landing Licensees following the restructuring and elimination of Pontel from the ownership structure.

The Proposed Transaction is subject to regulatory approvals and clearances and other customary closing conditions, including consent by the Federal Communications Commission ("FCC") and clearance by the Committee on Foreign Investment in the United States. The parties expect to close the Proposed Transaction in the third calendar quarter of 2022.

C. The Shareholder Agreement

On February 1, 2022, Telefónica, Pontegadea, Pontel, and Telxius Parent agreed on the form of a Shareholder Agreement to be executed on the closing date for the Proposed Transaction. This agreement will govern the respective rights of Telefónica and Pontegadea with respect to (1) the operations of Pontel (and following the restructuring, Telxius Parent, as described in part I.D below) that depend directly or indirectly on the decisions of the shareholders or board of directors of Pontel (and following the restructuring, Telxius Parent) and (2) the direct or indirect transfer of Pontel's ordinary shares.

Section 2.5 of the Shareholder Agreement provides that:

> The Majority Shareholder [Telefónica] records and the Minority Shareholder [Pontegadea] recognises and accepts that it is essential for Holdco [Pontel] (and, indirectly, Telxius) to continue to be considered a company controlled by Telefónica, S.A. and, therefore, a member of the Telefónica Group and fully consolidated with the Telefónica Group.

Notwithstanding this provision, the Shareholder Agreement gives Pontegadea certain rights—beyond standard minority shareholder protections—that will provide Pontegadea with an effective veto over certain Pontel (and following the restructuring, Telxius Parent) matters, including business plan, annual budget, ability to enter into contracts above a certain value threshold, ability to enter into related-party transactions with Telefónica and its non-Telxius subsidiaries, and influence over the appointment, replacement, and removal of the CEO and CFO. Because these arrangements could be construed as conferring negative control on Pontegadea,[21] the Applicants have sought Commission consent to consummate the Proposed Transaction.

1. Transitory Application to Pontel

The parties intend the application of the Shareholder Agreement to Pontel to be transitory, with completion of the restructuring specified in the Investment and Non-Terminating Novation Agreement (as described in part I.D below) to be completed as soon as possible following Pontel's acquisition of Taurus Bidco's interests in Telxius Parent. Consequently, Section 2.6 of the Shareholder Agreement provides that the parties intend that "all the covenants and agreements included in this Agreement are fully planned in relation to Telxius as if the Shareholders are directly shareholders of that company and, for these purposes and until the Restructuring is effectively completed." Specifically:

- Telefónica and Pontegadea agree that the board of directors of Pontel and Telxius Parent will have the same composition and equal distribution of positions.
- Pontel's board of directors will limit its duties and activities to those that are strictly necessary under the applicable law for Pontel to function as a mere holding company of Telxius Parent and to complete the restructuring as soon as possible.

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21 *Foreign Ownership Guidelines for FCC Common Carrier and Aeronautical Radio Licenses*, 19 FCC Rcd. 22,612, 22,632 (2004) (stating that "negative control is held by a person or entity that can block decisions but cannot compel action without the concurrence of another party."); *Applications of Space Station System Licensee, Inc., Assignor et al.*, Memorandum Opinion and Order, 17 FCC Rcd. 2271, 2282-85 ¶¶ 24-28 (Int'l Bur. 2002) (finding that an LLC agreement requiring the unanimous consent of a particular class of members for any contract outside the ordinary course of business or valued in excess of $1 million in aggregate conferred negative control on a foreign investor with voting and equity interests of less than 25 percent).

- Pontel’s decisions as Telxius Parent's sole shareholder will be determined by Pontel’s general shareholders meeting in accordance with the Shareholder Agreement.

The substantive provisions of the Shareholder Agreement, as detained in parts I.C.2 through I.C.5 below, therefore reference application to “the Company,” as they will apply equally to Pontel prior to completion of the restructuring and to Telxius Parent following the completion of the restructuring.

2. Corporate Governance Limitations

The Shareholder Agreement provides the Company will have the number of directors established by its shareholders meeting within the minimum and maximum stipulated in its Articles of Association. (Pontel currently has six directors. Telxius Parent currently has ten directors.) Each of Telefónica and Pontegadea is entitled to appoint directors in proportion to its stake in the company, as follows:

- Pontegadea may appoint a number of directors equal to the result, rounded down, of multiplying its shareholding in the Company by the total number of board members, subject, in any case, to the following minima:
  - At least two directors as long as Pontegadea’s stake is equal to or greater than 16.65 percent; and
  - At least one director as long as Pontegadea’s stake is equal to or greater than 9.99 percent; and
- If Pontegadea’s stake falls below 9.99 percent, it will lose the right to appoint directors to the board.
- Telefónica may appoint the other board members.

For as long as Pontegadea holds a stake equal to or greater than 16.65 percent of the Company's share capital, it is entitled to appoint a Deputy Secretary.

3. Reserved Matters and Deadlocks

The Shareholder Agreement requires a "Super Majority" for "Reserved Matters," with the nature of the Reserved Matters depending on whether Pontegadea's interest in the Company is equal to or greater than 25 percent of the Company's share capital, or if it is equal to or greater than 9.99 percent but less than 25 percent of the Company's share capital. For a Reserved Matter requiring approval by the Company's shareholders, both Telefónica and Pontegadea must vote in favor of the matter. For Reserved Matters requiring approval by the Company's board of directors, a majority of directors (including at least one director appointed by each of Telefónica and Pontegadea) must vote in favor of the matter.

a. Reserved Matters Where Pontegadea Holds an Interest Equal to or Greater than 25 Percent of the Company's Share Capital

Reserved Matters requiring a Super Majority when Pontegadea's interest in the Company is equal to or greater than 25 percent of the Company's share capital include the following:

(i) Amending the Company's Articles of Association, except where required by law or by the Shareholder Agreement;

(ii) Modifying the Company's management body or the number of its board members;

(iii) Materially changing to the Company's business;

(iv) Purchasing, selling, or redeeming Company shares or granting options over them;

(v) Issuing or modifying shares in the Company with different voting or economic rights;

(vi) Issuing shares convertible into shares of the Company, except where required by law;

(vii) Eliminating or restricting the pre-emption right to issue shares or securities convertible into Company shares;

(viii) Reducing the Company's share capital, except where required by law;

(ix) Entering into a merger, demerger, segregation, global assignment of assets and liabilities, or similar business transactions or operations or structural modifications affecting the Company, except for intra-group combination operations within the Telxius Group that do not contravene the principles established in the Shareholder Agreement;

(x) Initiating a public offering for sale or subscription of the Company's shares (except as consistent with the Shareholder Agreement;

(xi) Dissolving, liquidating, or applying for a declaration of the Company's insolvency, except where required by law;

(xii) Acquiring, disposing of, or contributing essential assets to another company;

(xiii) Approving of a new Telxius Business Plan;

(xiv) Making any variation to the Telxius Business Plan (with certain limited exceptions);

(xv) Approving the annual budget when there is a Telxius Business Plan in force and when the consolidated earnings before interest, taxes, depreciation, and amortization ("EBITDA") resulting from the budget deviates by more than 20 percent from the consolidated EBITDA of the corresponding year of the business plan, with limited exclusions, exceptions, and fallback options in the event the board is unable to adopt an annual budget;

(xvi) Acquiring or selling by Telxius of submarine cable infrastructure or cable landing stations in an inorganic growth transaction valued in excess of €25,000,000 in a transaction or group of related transactions during a financial year (with limited exceptions);

(xvii) Entering into, amending, or supplementing of any Telxius commercial contract with a total consideration for the whole life of the contract (including mandatory renewals) in excess of €15,000,000 per contract or group of related contracts (with limited exceptions);

(xviii) Executing a joint venture or partnership agreements by any Telxius company with third parties outside Telxius;

(xix) Entering into an organic growth transaction (including a capitalized lease) involving the Company's submarine cable business in excess of €85,000,000 resulting from the aggregate of any amounts to be spent in a financial year plus any amounts to be spent in the years following such financial year resulting from a project or group of projects to be approved in that financial year, provided that Telefónica retains the right to build submarine cable infrastructure by itself in the event that a Super Majority is not achieved at the board level;

(xx) Approving any financial transaction (including the grant of any guaranty or security) that involves an increase in the level of consolidated net financial debt to more than three times the consolidated EBITDA of Telxius;

(xxi) Approving any acquisition or disposal of companies or assets from or to Telefónica or its non-Telxius subsidiaries, absent certain market conditions and transaction thresholds;

(xxii) Approving amending material related-party transactions with Telefónica (including adoption of new terms and conditions for existing material related-party transactions with Telefónica);

(xxiii) Making any decision to concede claims made by the tax authorities exceeding an amount of €5,000,000; and

(xxiv) Granting of any loan or advance or provide any credit to any person other than to any Telxius Parent subsidiary or employee or any of its subsidiaries in the ordinary course of business or the acquisition of any loan capital of any corporate body (wherever incorporated) or the giving of any indemnity or guarantee or entering into any material off balance sheet arrangements except in the ordinary course of business.

b. Reserved Matters Where Pontegadea Holds an Interest Equal to or Greater than 9.99 Percent, but Less than 25 Percent, of the Company's Share Capital

Reserved Matters requiring a Super Majority when Pontegadea's interest in the Company is equal to or greater than 9.99 percent, but less than 25 percent, of the Company's share capital include the following:

(i) Amending the Company's Articles of Association, except where required by law or by the Shareholder Agreement;

(ii) Modifying of the Company's management body or the number of its board members;

(iii) Materially changing to the Company's business;

(iv) Entering into a merger, demerger, segregation, global assignment of assets and liabilities, or similar business transactions or operations or structural modifications affecting the Company, except for intra-group combination operations within the Telxius Group that do not contravene the principles established in the Shareholder Agreement;

(v) Amending the Company's dividend policy;

(vi) Amending the Company's financing policy;

(vii) Approving any financial transaction (including the grant of any guaranty or security) that involves an increase in the level of consolidated net financial debt to more than three times the consolidated EBITDA of Telxius;

(viii) Entering into any agreement that entails the amendment, breach or repeal of the provisions of the Shareholder Agreement in force at that time;

(ix) Granting of powers in the Company that entail the delegation of all or practically all the board of directors' powers;

(x) Entering into an inorganic growth transaction involving the acquisition of submarine cable infrastructure and cable landing valued in excess of €50,000,000, where, due to the cash needs for financing the transaction, the dividends to be paid by Telxius will be less than €50,000,000, subject to certain criteria; and

(xi) Approving or modifying of related party transactions with Telefónica, with certain exclusions.

c. Deadlocks

If a deadlock occurs, Telefónica and Pontegadea are each entitled to send a "Deadlock Notice" to the other party. Once this Deadlock Notice has been issued, appointed representatives of Telefónica and Pontegadea will seek to resolve the Deadlock. If they are unable to do so within 15 business days of the issuance of the Deadlock Notice, either party may submit the matter to more senior designated representatives of Telefónica and Pontegadea, who must negotiate in good faith to seek resolution of the Deadlock within 15 business days following consultation with their respective representatives on the Company's board. If Telefónica and Pontegadea are unable to resolve the matter causing the Deadlock within this process, the status quo before the Deadlock will prevail, and the matter or issue that gave rise to it will not be implemented.

4. Management Limitations

Pursuant to the Shareholder Agreement, the Company's CEO and management team are responsible for implementing resolutions adopted by the board. The CEO and members of the management team may be directors. The CEO is appointed, replaced, and dismissed by the board at the proposal of Telefónica, while the CFO is appointed, replaced, and dismissed by the board at the proposal of Pontegadea, so long as Pontegadea's interest in the Company is equal to or greater than 25 percent of the Company's share capital. Other than the CFO, members of the management team may be appointed, replaced, or dismissed by the board at the proposal of the CEO. If during any financial year the consolidated EBITDA of the Company and its subsidiaries is below the consolidated EBITDA envisaged in the business plan for such financial year, Pontegadea will have the right to request the termination of the agreement and replacement of the CEO, and Telefónica will have the same rights in respect of the CFO. Telefónica and Pontegadea must consult with each other in good faith regarding the appointment of replacements for the CEO and CFO; if they fail to do so within two months of the date of the exercise of a replacement right by Telefónica or Pontegadea, Telefónica will have the right to nominate the CEO, and Pontegadea will have the right to nominate the CFO. The remuneration of the members of the Management Team must be approved by the board, in accordance with market practice, and consistent with Telefónica policies and practices.

If Pontegadea's interest in the Company falls below 25 percent of the Company's share capital, but is still equal to or greater than 16.65 percent, Pontegadea will be entitled to appoint a member of the Telxius management team reporting directly to the CFO. In such case, Pontegadea may have direct access to the Telxius employee for information and reporting purposes.

5. Limitations on Related-Party Transactions

With certain exceptions for existing transactions, the Shareholder Agreement requires the voting of a supermajority of the Company's directors (defined to mean a majority of the directors, including at least one director nominated by Telefónica and one nominated by Pontegadea) for the approval or amendment of material related-party transactions between the

Company and its subsidiaries on one hand and Telefónica and its non-Telxius subsidiaries on the other. Such transactions are material if valued in excess of €5,000,000 per transaction, accounting for the life of the contract and mandatory renewals, or per group of related transactions within a 12-month period. For non-material related-party transactions with a value in excess of €100,000 and up to €5,000,000 per transaction, accounting for the life of the contract and mandatory renewals, or per group of related transactions within a 12-month period, a decision to undertake the transaction requires joint approval of the Company's CEO and CFO. In the event of a disagreement between the CEO and CFO, the CEO may take a decision only if the Company obtains a report from an independent expert selected by Pontegadea confirming that the terms and conditions of the transaction are in line with prevailing market practice.

D. The Investment and Non-Terminating Novation Agreement

Upon completion of Pontel's acquisition of the Taurus Bidco interests in Telxius Parent and in accordance with the Investment and Non-Terminating Novation Agreement, Telefónica and Pontegadea will restructure their interests in Telxius Parent to grant Telefónica a 70-percent voting and equity interest in Telxius Parent and Pontegadea a 30-percent voting and equity interest in Telxius Parent. First, simultaneously with Pontel's acquisition of the Taurus Bidco interests in Telxius Parent, the parties will carry out a capital increase, resulting in Telefónica holding a 70-percent voting and equity interest in Pontel and Pontegadea holding a 30-percent voting and equity interest in Pontel. Second, Pontel will be merged into Telxius Parent, with Telxius Parent surviving. The post-restructuring ownership of the Telxius Cable Landing Licensees is shown in **Exhibit D**.

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.[22] The public interest determination turns first on whether the proposed transaction complies with the specific provisions of the Communications Act, other applicable statutes, and the Commission's rules.[23] In making that inquiry, the Commission focuses on whether the proposed assignee or transferee is qualified to hold Commission licenses.[24]

If the proposed transaction would not violate a statute or rule, the Commission then considers "whether the transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes."[25] Finally, it considers the transaction's public interest benefits, including "the clear public interest benefits in a license or authorization holder being able to assign or transfer control of its license or authorization freely."[26]

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22 *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).

23 *See, e*.g., *Liberty Latin America Ltd. and AT&T Inc.*, Memorandum Opinion and Order and Declaratory Ruling, 36 FCC Rcd. 2328, at 2332-33 ¶¶ 9-11 (Wireless Tel., Wireline Comp., and Int'l Burs. 2020).

24 *Id.* at 2333-34 ¶¶ 13-15.

25 *Id.* at 2332 ¶ 10.

26 *Id.* at 2333 ¶ 11.

B. The Proposed Transaction Will Serve the Public Interest

Here, 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.

Consummation of the Proposed Transaction will serve the public interest, convenience, and necessity without any offsetting public interest harms. Telefónica and Pontegadea will work with Telxius's management team to support investment in existing and, eventually, new trans-Atlantic and Latin America-region submarine cable infrastructure by Telxius. Consummation of the Proposed Transaction will simplify the capital and management structure of Telxius. Ultimately, these factors will strengthen Telxius's ability to compete more vigorously as a developer and operator of submarine cable infrastructure.

The Proposed Transaction would create no new combinations that would adversely affect competition in any geographic market for submarine cable capacity. Pontegadea does not currently control, and is not affiliated with, any submarine cable operators licensed by the Commission. The Telxius Cable Landing Licensees will continue to accept dominant-carrier regulation on the U.S.-Argentina, U.S.-Brazil, U.S.-Chile, U.S.-Colombia, U.S.-Peru, and U.S.-Spain routes due to their affiliates with Telefónica operating subsidiaries in those markets and continue to abide by the reporting requirements in 47 C.F.R. § 1.767(l).

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[27]

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

TABLE 1: Applicant Identification Information

Name, Address, and Telephone #	Place of Organization	FRN	Transaction Role
KKR Management LLP 30 Hudson Yards New York, New York 10001 +1 212 750 8300	Delaware	0029178852	Transferor
Pontegadea Inversiones, S.L. Cantón Grande, 4 15003, A Coruña Spain + 34 98 118 53 44	Spain	0031955495	Transferee
Telxius Cable América S.A. Av. Luis Alberto de Herrera 1248, piso 4 11300 Montevideo, Uruguay +598 2 628 00 20	Uruguay	0022340871	Joint licensee for BRUSA, Marea, PCCS, and SAm-1 systems
Telxius Cable USA, Inc. 1111 Brickell Avenue, Suite 1800 Miami, Florida 33131-3122 +1 305 925 5256	Florida	0006650618	Joint licensee for BRUSA, Marea, PCCS, and SAm-1 systems
Telxius Cable Puerto Rico, Inc. 1111 Brickell Avenue, Suite 1800 Miami, Florida 33131-3122 +1 305 925 5256	Puerto Rico	0022340921	Joint licensee for BRUSA, PCCS, and SAm-1 systems

[27] *See* 47 C.F.R. § 1.767(a)(1), (2).

Name, Address, and Telephone #	Place of Organization	FRN	Transaction Role
Telxius Cable Colombia S.A. Tranversal 60 (Av. Suba) No. 114 A - 55 Cubo Sur, Bogotá D.C. Colombia	Colombia	0022340954	Joint licensee for PCCS system

B. Contact Information[28]

The Commission should address correspondence regarding this application to the persons identified in Table 2 below.

TABLE 2: Applicant Contact Information

Party	Company Contact	Counsel Contact
KKR Management LLP	Tara Davies Authorized Person KKR Management LLP 30 Hudson Yards New York, New York 10001 +1 212 750 8300	Wayne Johnsen Wiley Rein LLP 2050 M Street, N.W. Washington, D.C. 20036 +1 202 719 7303 wjohnsen@wiley.law
Pontegadea Inversiones, S.L.	Andrés Moreno Fernández Pontegadea Inversiones, S.L. Cantón Grande, 4 15003, A Coruña Spain + 34 98 118 53 44	Kent Bressie Harris, Wiltshire & Grannis LLP 1919 M Street, N.W., Suite 800 Washington, D.C. 20036-3537 +1 202 730 1337 kbressie@hwglaw.com
Telxius Cable Landing Licensees	Andrés J. Fígoli Pacheco Secretaría General Telxius Cable América S.A. Avenida Luis Alberto de Herrera 1248, piso 4 11300 Montevideo Uruguay +598 2 628 00 20 ext. 1156 andres.figoli@telxius.com	Kent Bressie Harris, Wiltshire & Grannis LLP 1919 M Street, N.W., Suite 800 Washington, D.C. 20036-3537 +1 202 730 1337 kbressie@hwglaw.com

[28] *See id.* § 1.767(a)(3).

C. Certification Regarding Ownership, Place of Organization, Principal Business, and Interlocking Directorates[29]

By its signature below, Pontegadea certifies that the Telxius Cable Landing Licensees will have the following 10-percent-or-greater interest holders following the consummation of the Proposed Transaction:

Telxius Cable América S.A. ("Telxius Cable América")
Address: Avenida Luis Alberto de Herrera 1248, piso 4, 11300 Montevideo, Uruguay
Place of Organization: Uruguay
Principal Business: telecommunications
Relationship: Telxius Cable América holds a 100-percent voting-and-equity interest in each of Telxius USA and Telxius Puerto Rico and a 94.985846-percent voting-and-equity interest in Telxius Colombia. The remaining voting and equity interests in Telxius Colombia are held by other subsidiaries of Telxius Parent.

Telxius Telecom, S.A. ("Telxius Parent")
Address: Distrito C, Calle Ronda de la Comunicación s/n, Edificio Central, 28050 Madrid, Spain
Place of Organization: Spain
Principal Business: telecommunications
Relationship: Telxius holds a 100-percent voting-and-equity interest in Telxius Cable América.

Telefónica S.A. ("Telefónica")
Address: Distrito C, Calle Ronda de la Comunicación s/n, Edificio Central, 28050 Madrid, Spain
Place of Organization: Spain
Principal Business: telecommunications
Relationship: Upon consummation of the Proposed Transaction, Telefónica will hold a 70-percent voting-and-equity interest in Telxius Parent. Telefónica's shares trade publicly on the Bolsa de Madrid (the Madrid Stock Exchange). As there is an active market in Telefónica's shares, Telefónica's share ownership is always fluid. Moreover, the Telxius Cable Landing Licensees can ascertain its significant shareholders only on the basis of Telefónica's records and may not know of possibly related or affiliated shareholders that are not disclosed to Telefónica. Recognizing these limitations, as of the most recent measurable date, February 1, 2022, no Telefónica shareholder holds an interest sufficient to give it a 10-percent-or-greater direct or indirect interest in any of the Telxius Cable Landing Licensees at consummation.

[29] *See id.* §§ 1.767(a)(8)(i), 63.18(h).

Pontegadea Inversiones, S.L.
Address: Cantón Grande, 4, 15003 A Coruña, Spain
Place of Organization: Spain
Principal Business: investment holding company
Relationship: Upon consummation of the Proposed Transaction, Pontegadea will hold a 30-percent voting-and-equity interest in Telxius Parent and certain negative control rights, as described in part I.C above.

Mr. Amancio Ortega Gaona
Address: Cantón Grande, 4, 15003 A Coruña, Spain
Citizenship: Spain
Principal Business: investments
Relationship: Mr. Ortega holds 99.99-percent voting and equity interest in Pontegadea.

Other than the entities and persons noted above, no entity will hold a 10-percent-or-greater direct or indirect economic interest in the Telxius Cable Landing Licensees as a consequence of consummation of the Proposed Transaction.

By its signature below, Pontegadea certifies that it has no interlocking directorates with foreign carriers.

D. Certification Regarding the Anti-Drug Abuse Act of 1988[30]

By its signature below, Pontegadea certifies 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.[31]

[30] *See* 47 C.F.R. §§ 1.767(a)(8)(i), 63.18(o).

[31] 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[32]

By its signature below, Pontegadea certifies that upon consummation of the Proposed Transaction: (1) it will not be a foreign carrier in any foreign country and (2) it will, only as a consequence of the Proposed Transaction, be affiliated with foreign carriers (including foreign carriers that control cable landing stations in foreign countries) listed in Table 3 below. All of these foreign carrier affiliate entities are operating subsidiaries of Telxius Parent, as Pontegadea has no pre-close affiliations with any foreign carriers.

TABLE 3: POST-CONSUMMATION AFFILIATED FOREIGN CARRIERS AND CABLE LANDING STATION INTERESTS OF PONTEGADEA

Country	Entity	Owns/ Controls CLS
Argentina	Telxius Cable Argentina S.A.	Y
Brazil	Telxius Cable Brasil Limitada	Y
Chile	Telxius Cable Chile S.A.	Y
Colombia	Telxius Cable Colombia S.A.	Y
Ecuador	Telxius Cable Ecuador S.A. (fka Telefónica International Wholesale Services Ecuador S.A.)	Y
Guatemala	Telxius Cable Guatemala, S.A.	Y
Panama	Telxius Cable Panamá S.A.	Y
Peru	Telxius Cable Perú, S.A.C.	Y
Spain	Telxius Cable España S.L.	Y

By their respective signatures below, each of the Telxius Cable Landing Licensees certifies that before and after the consummation of the Proposed Transaction: (1) it is not, and will not be, a foreign carrier in any country (other than Telxius Colombia, which certifies that it is a foreign carrier in Colombia) and (2) it is, and will remain, affiliated with foreign carriers, including foreign carriers that control cable landing stations in foreign countries, as summarized in Table 4 below.

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[32] *See* 47 C.F.R. § 1.767(a)(8)(ii).

TABLE 4: AFFILIATED FOREIGN CARRIERS AND CABLE LANDING STATION INTERESTS OF TELEFÓNICA

Country	Entity	Owns/ Controls CLS
Argentina	Telefónica Global Solutions Argentina, S.A.	N
	Telxius Cable Argentina S.A.	Y
	Telefónica Móviles Argentina, S.A.	N
	Telefónica de Argentina, S.A.	Y
Austria	Telefónica Global Solutions S.L. Unipersonal, Austrian Branch	N
Belgium	Telefónica Global Solutions, S.L.	N
Brazil	Telefónica Global Solutions Brasil Ltda.	N
	Telefónica Brasil, S.A.	N
	Telxius Cable Brasil Limitada	Y
Chile	Telefónica Chile, S.A.	Y
	Telxius Cable Chile S.A.	Y
	Telefónica Móviles Chile, S.A.	N
	Telefónica Global Solutions Chile S.p.A.	N
Colombia	Colombia Telecomunicaciones, S.A. ESP	Y
	Telxius Cable Colombia S.A.	Y
	Telefónica Global Solutions Colombia, S.A.S. (fka TIWS Colombia II S.A.S.)	N
Denmark	Telefónica Global Solutions Denmark, Branch of Telefónica Global Solutions, S.L.U. Spain	N
Ecuador	Otecel, S.A.	N
	Telxius Cable Ecuador S.A. (fka Telefónica International Wholesale Services Ecuador S.A.)	Y
	Telefónica Global Solutions Ecuador TGSE, S.A.	N
Finland	Telefónica Global Solutions, S.L. Suomen Sivuliike.	N
France	Telefónica Global Solutions France II, S.A.S.	N
	Telefónica Global Solutions France, S.A.S.	N
Germany	E-Plus Mobilfunk GmbH	N
	Telefónica Germany GmbH & Co. OHG	N
	Telefónica Global Solutions Germany GmbH	N
Greece	Telefónica Global Solutions Greece Ltd.	N
Guatemala	Telxius Cable Guatemala, S.A.	Y
Hong Kong	Telefónica Global Solutions, S.L.	N
Italy	Telefónica Global Solutions, S.L.	N
Mexico	Pegaso PCS, S.A. de C.V.	N
	Telefónica Global Solutions México, S.A. de C.V.	N
Netherlands	Telefónica Global Solutions Netherlands	N
Panama	Telxius Cable Panamá S.A.	Y

Country	Entity	Owns/ Controls CLS
Peru	Telefónica del Perú, S.A.C.	Y
	Telxius Cable Perú, S.A.C.	Y
	Telefónica Global Solutions Perú, S.A.C.	N
Poland	Telefónica Global Solutions, S.L. Jednoosobowa (Spółka z ograniczoną odpowiedzialnością) Oddział w Polsce	N
Portugal	Telefónica Global Solutions, S.L.U. Sucursal em Portugal	N
Singapore	Telefónica Global Solutions, Singapore Pte. Ltd.	N
Spain	Telefónica de España S.A.U.	Y
	Telefónica Global Solutions, S.L.U.	N
	Telefónica Móviles España S.A.U.	N
	Telxius Cable España S.L.	Y
	Telefónica IoT, Big Data Tech SAU	N
Sweden	Telefónica Global Solutions Sweden AB	N
Switzerland	Telefónica International Wholesale Services II, S.L.U, Madrid, Swiss Branch Zurich	N
United Kingdom	Telefónica UK, Ltd.	N
Uruguay	Telefónica Móviles del Uruguay, S.A.	N
Venezuela	Telefónica Venezolana, C.A.	N

F. Certification Regarding Destination Countries[33]

By its signature below, Pontegadea certifies that upon consummation of the Proposed Transaction: (1) it will not be a foreign carrier in any of the countries where the BRUSA, Marea, PCCS, or SAm-1 systems land; (2) it will hold certain indirect negative control rights over foreign carriers in Colombia (where both PCCS and SAm-1 land), in Ecuador (where SAm-1 and PCCS land); Panama (where PCCS lands), and in Argentina, Brazil, Chile, Guatemala, and Peru (where BRUSA and SAm-1 land); and in Spain (where Marea lands); and (3) no entity that owns more than 25 percent of Pontegadea, or that controls Pontegadea, controls a foreign carrier in any foreign country where the BRUSA, Marea, PCCS, or SAm-1 systems land.

[33] *See id.* § 1.767(a)(8)(iii).

By their respective signatures below, each of the Telxius Cable Landing Licensees certifies that as of the consummation of the Proposed Transaction: (1) it will not be a foreign carrier in any of the countries where the BRUSA, Marea, PCCS, or SAm-1 systems land (other than Telxius Colombia, which certifies that it is a foreign carrier in Colombia, where both PCCS and SAm-1 land); (2) it does not control a foreign carrier in in any foreign country where the BRUSA, Marea, PCCS, or SAm-1 systems land Colombia (where both PCCS and SAm-1 land), in Ecuador (where PCCS and SAm-1 land); Panama (where PCCS lands), in Argentina, Brazil, Chile, Guatemala, and Peru (where SAm-1 lands); and in Spain (where Marea lands); (3) an entity that owns more than 25 percent of each of the Telxius Cable Landing Licensees also controls foreign carriers in Colombia (where both PCCS and SAm-1 land), in Ecuador (where PCCS and SAm-1 land); Panama (where PCCS lands), in Argentina, Brazil, Chile, Guatemala, and Peru (where SAm-1 lands); and in Spain (where Marea lands);

By its signature below, Pontegadea certifies that no grouping of two or more foreign carriers (or parties that control foreign carriers in any of the countries where the BRUSA, Marea, PCCS, or SAm-1 systems land) own, in aggregate, more than 25 percent of it and are parties to, or beneficiaries of, a contractual relation affecting the provision or marketing of arrangements for the terms of acquisition, sale, lease, transfer, and use of capacity on the BRUSA, Marea, PCCS, or SAm-1 systems in the United States.

By their respective signatures below, each of the Telxius Cable Landing Licensees certifies that no grouping of two or more foreign carriers (or parties that control foreign carriers in any of the countries where the BRUSA, Marea, PCCS, or SAm-1 systems land) own, in aggregate, more than 25 percent of it and are parties to, or beneficiaries of, a contractual relation affecting the provision or marketing of arrangements for the terms of acquisition, sale, lease, transfer, and use of capacity on the BRUSA, Marea, PCCS, or SAm-1 systems in the United States.

G. Certifications Regarding WTO Status and Affiliations with Foreign Carriers Having Market Power in Foreign Destination Markets[34]

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

H. Certification Regarding Routine Conditions[35]

By the signature below, Pontegadea certifies that it accepts and will abide by the routine conditions specified in 47 C.F.R. § 1.767(g).

I. Streamlining[36]

The Applicants request streamlined processing pursuant to 47 C.F.R. § 1.767(k)(1) of the Commission's rules, as Pontegadea is not affiliated with any foreign carrier, much less a foreign carrier in a landing country for any of the BRUSA, Marea, PCCS, or SAm-1 submarine cable systems. Upon consummation of the Proposed Transaction, and solely because of it, Pontegadea will become affiliated with the Telxius Parent subsidiaries identified in Table 3 above, but not the other Telefónica foreign carrier affiliates identified in Table 4 above.

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.[37]

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[34] *See id.* § 1.767(a)(8)(iv).

[35] *See id.* § 1.767(a)(9).

[36] *See id.* § 1.767(j), (k).

[37] *See* 47 C.F.R. § 1.767(k)(4).

J. Certification Regarding Service to Executive Branch Agencies[38]

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.

[38] *See id.* § 1.767(j).

CONCLUSION

For the reasons stated above, the Applicants request that the Commission grant consent expeditiously for the transfer to Pontegadea of certain negative control rights over the Telxius Cable Landing Licensees.

Respectfully submitted,

KKR Management LLP

/s/ Tara Davies

Tara Davies
Authorized Person
KKR Management LLP
30 Hudson Yards
New York, New York 10001

Pontegadea Inversiones, S.L.

s/ Jaime Francisco Carro Merchán

Jaime Francisco Carro Merchán
General Counsel and Secretary of the Board
Pontegadea Inversiones, S.L.
Cantón Grande, 4
15003, A Coruña
Spain

Wayne Johnsen
Wiley Rein LLP
2050 M Street, N.W.
Washington, D.C. 20036
+1 202 719 7303
wjohnsen@wiley.law

Kent Bressie
Colleen Sechrest
Harris, Wiltshire & Grannis LLP
1919 M Street, N.W., Suite 800
Washington, D.C. 20036-3537
+1 202 730 1337
kbressie@hwglaw.com
ceschrest@hwglaw.com

Counsel for Pontegadea Inversiones, S.L., Telefónica, S.A., Telxius Cable América S.A., Telxius Cable USA, Inc., Telxius Cable Puerto Rico, Inc., and Telxius Cable Colombia, S.A.

Telxius Cable América S.A.

/s/ Andrés J. Fígoli Pacheco

Andrés J. Fígoli Pacheco
Secretaría General
Telxius Cable América S.A.
Avenida Luis Alberto de Herrera 1248, piso 4
11300 Montevideo
Uruguay

Telxius Cable USA, Inc.
Telxius Cable Puerto Rico, Inc.

/s/ Guillermo Cañete

Guillermo Cañete
President, Telxius Cable USA, Inc.
President, Telxius Cable Puerto Rico, Inc.
1111 Brickell Avenue, Suite 1800
Miami, Florida 33131-3122

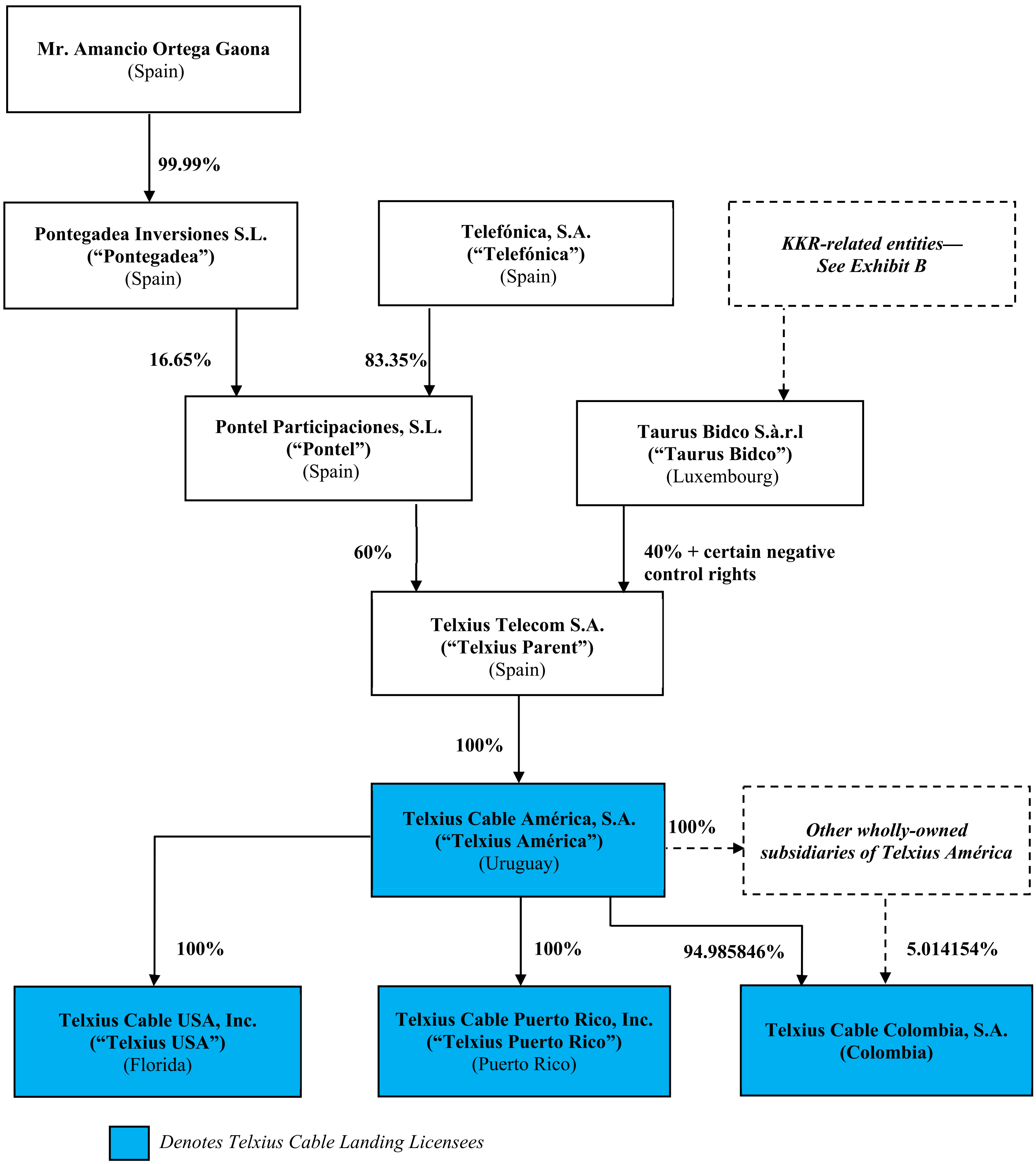
Telxius Cable Colombia, S.A.

/s/ César Parra

César Parra
Network Director
Telxius Cable Colombia, S.A.
Tranversal 60 (Av. Suba) No. 114 A - *55*
Cubo Sur, Bogotá D.C.
Colombia

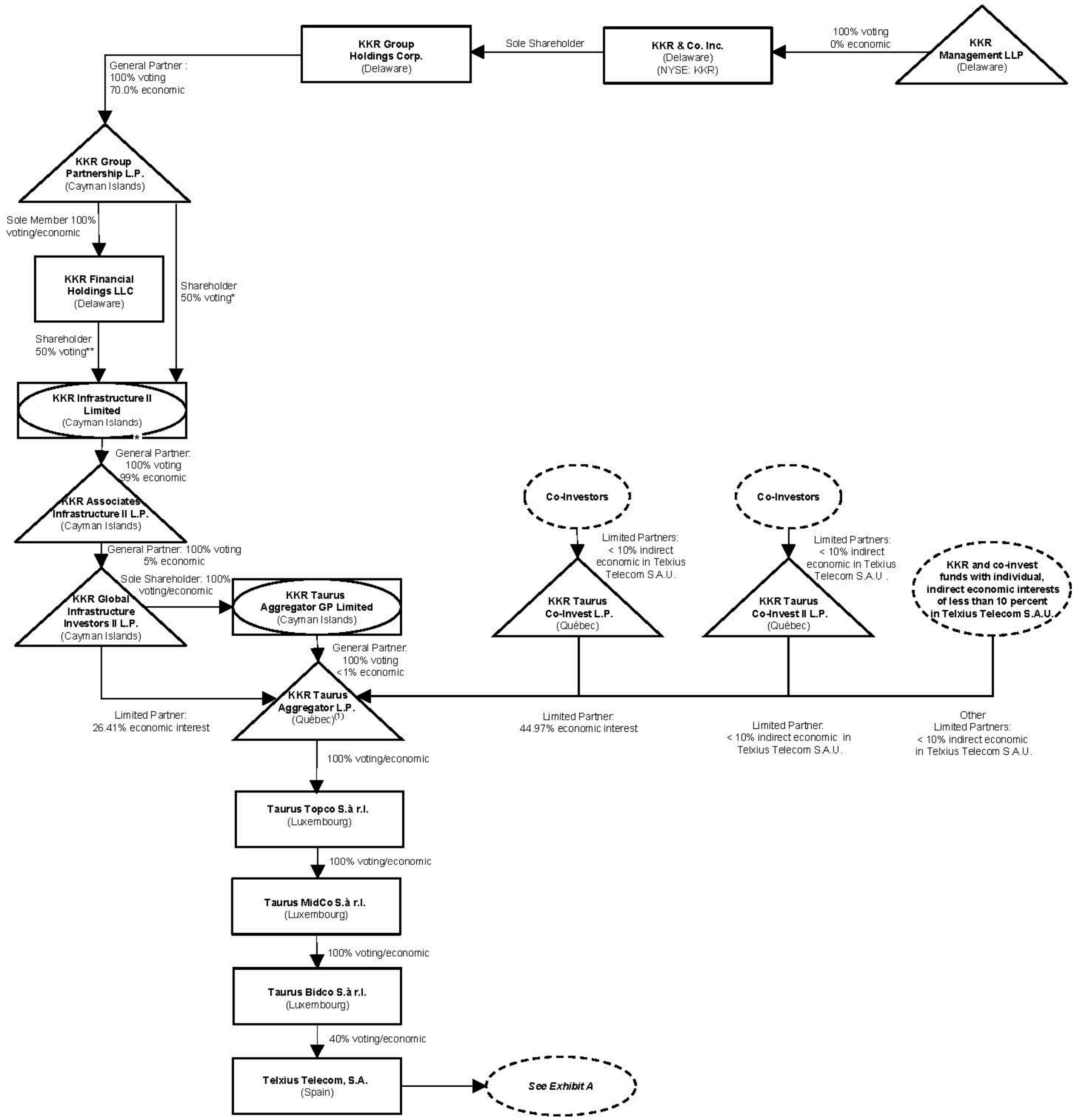
February 22, 2022

Exhibit A:
Current Ownership Structure of Telxius Cable Landing Licensees



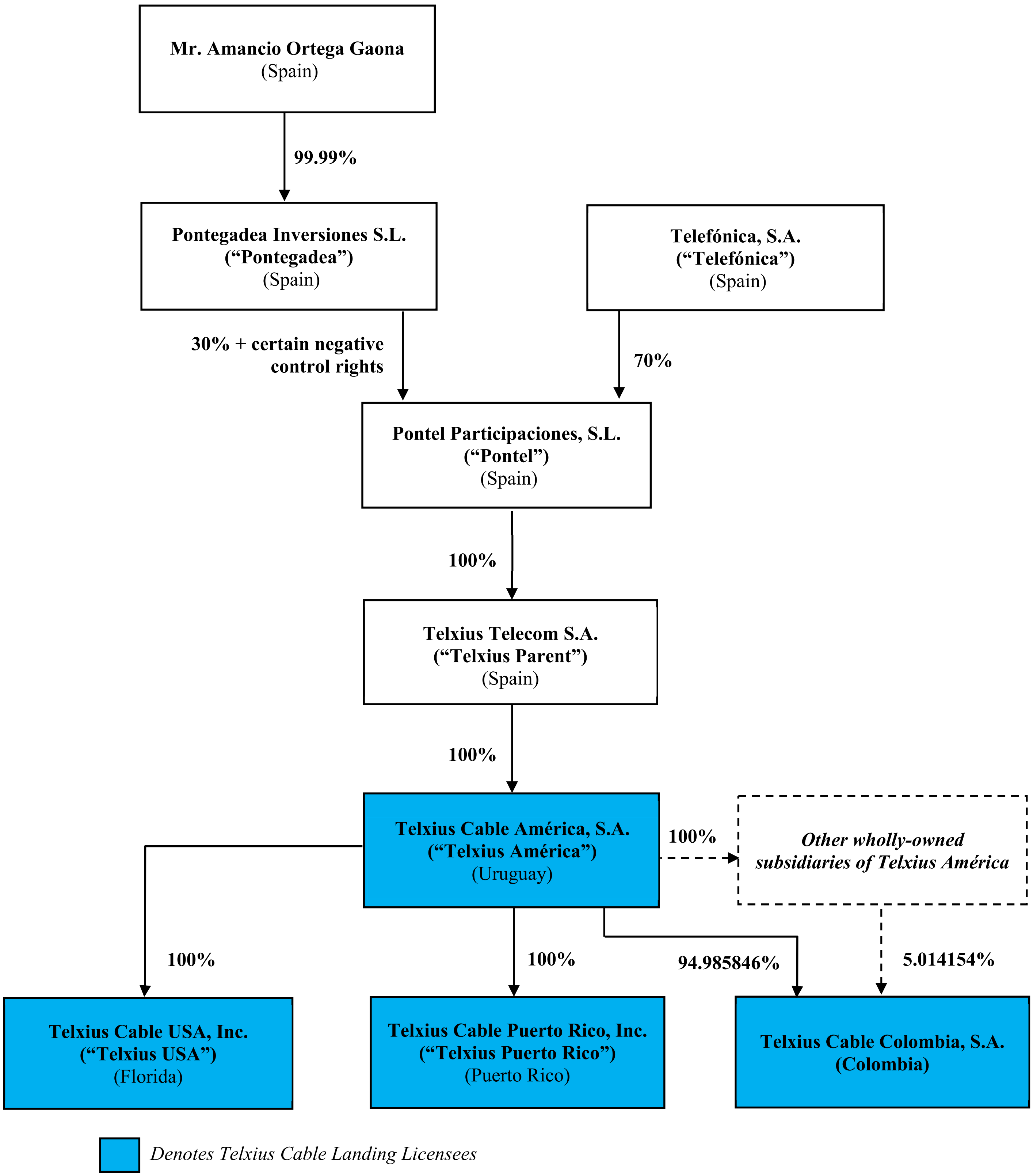
Note: percentages represent both voting and economic interests

Exhibit B: Existing KKR-Related Interests in Telxius Telecom S.A.



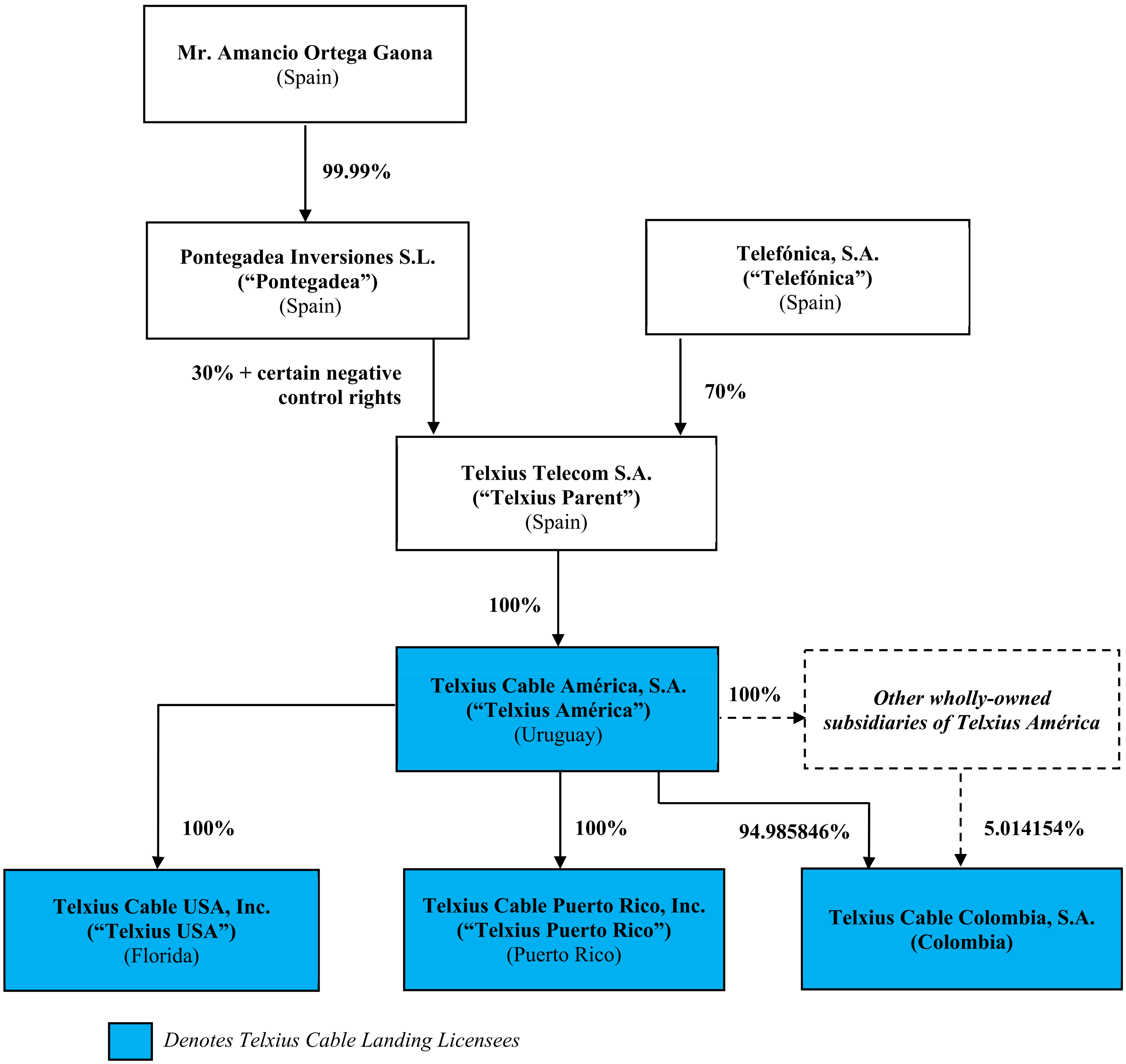
* The economic interests of KKR Group Partnership L.P. and KKR Financial Holdings LLC in KKR Infrastructure II Limited may vary based on the investment returns allocable to KKR Associates Infrastructure II L.P., as the general partner of KKR Global Infrastructure Investors II L.P

Exhibit C:
Post-Consummation Ownership Structure of Telxius Cable Landing Licensees



Note: percentages represent both voting and economic interests

Exhibit D:
Post-Restructuring Ownership Structure of Telxius Cable Landing Licensees



Note: percentages represent both voting and economic interests

CERTIFICATE OF SERVICE

I, Kent Bressie, 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 22nd day of February, 2022, to the following:

Douglas May
Director, Technology and Security Policy
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

Kent Bressie