

FCC Form 312 Assignment
Assignor/Licensee: Stratos
Offshore Services Company
Assignee: RigNet SatCom, Inc.

RESPONSE TO QUESTION A20 / EXHIBIT E

Please see the attached Petition for Declaratory Ruling, which has been filed concurrently with the Commission and provides information responsive to Question A20.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
RigNet SatCom, Inc.)	File No. ISP-PDR-2013-_____
)	
Petition for Declaratory Ruling Under Section)	
310(b)(4) of the Communications Act, as Amended)	
To Permit Indirect Foreign Investment)	
Above 25 Percent)	
)	

**PETITION FOR DECLARATORY RULING
UNDER SECTION 310(b)(4) OF THE
COMMUNICATIONS ACT OF 1934, AS AMENDED**

RigNet SatCom, Inc. (“RigNet”), pursuant to 47 U.S.C. §310(b)(4) (“Section 310(b)(4)”) and the Commission’s implementing rules Section 1.990 *et seq.*, hereby petitions the Commission for a declaratory ruling that it would serve the public interest to permit foreign ownership in RigNet’s parent, Rignet, Inc., in excess of the 25% foreign-ownership benchmark in Section 310(b)(4).¹ RigNet also requests that the Commission permit (1) the specific foreign investors described herein to increase their equity and voting interests up to a non-controlling 49.99% interest and (2) additional aggregate indirect and/or voting interests by foreign investors up to 100%.

I. BACKGROUND AND OWNERSHIP DESCRIPTION

RigNet is Delaware corporation, headquartered at 1880 S. Dairy Ashford, Suite 300 Houston, TX 77077. RigNet is a global provider of managed remote communications, systems

¹ Although RigNet does not currently hold any authorization subject to Section 310(b)(4), the Commission previously found that it would serve the public interest to allow indirect foreign ownership of RigNet in excess of the 25 percent benchmark set forth in Section 310(b)(4). *See*

integration and collaborative applications dedicated to the oil and gas industry, focusing on offshore and onshore drilling rigs, offshore production facilities and energy maritime. RigNet provides specialized solutions ranging from fully managed voice and data networks to more advanced applications that include video conferencing and real-time data services. RigNet's secure communications and private extranet allow its customers to manage information flows and execute mission-critical operations primarily in remote areas, including offshore and land-based drilling rigs, offshore and onshore production facilities, energy maritime vessels and regional support offices, where conventional telecommunications infrastructure is either unavailable or unreliable.

Pursuant to an Asset Purchase Agreement (“Agreement”), dated August 1, 2013, RigNet and Stratos Offshore Services Company (“Stratos”) propose to complete a transaction whereby RigNet will acquire from Stratos certain assets, including certain licenses, related network facilities, and customer accounts in the oil and gas industry associated with Stratos’ retail energy business (the “Transaction”). The Transaction entails a purchase of the Stratos business operating pursuant to certain Section 214 authorizations, wireless and earth station licenses, related network facilities and certain customer accounts. (In a separate service agreement, RigNet will become a key distribution partner to Inmarsat offering Global Xpress, a new generation, high throughput satellite communications service, and L-Band services worldwide.) Stratos holds Industrial/Business Pool, Conventional (IG), Industrial/Business Pool-Commercial/Conventional (IK), Wireless Communications Service (WS), Common Carrier Fixed Point-to-Point Microwave Services (CF), Microwave Industrial/Business Pool (MG),

International Authorizations Granted, Public Notice Report No. TEL-01085 (rel. Nov. 9, 2006);
Petition for Declaratory Ruling, IBFS File No. ISP-PDR-20060815-00011.

3650-2700 MHz (NN), Broadband Radio Service (BR), and Offshore Radiotelephone (CO) licenses (collectively, “Wireless Radio Services Licenses”) and earth station licenses that will be acquired by RigNet and are subject to the Section 310(b)(4) foreign ownership restrictions.²

RigNet is a wholly owned subsidiary of RigNet, Inc., a publicly held Delaware corporation. No single individual or entity holds direct equity or voting interests in RigNet, Inc. of 10% or more, other than Energy Growth AS, a Norwegian limited liability company, which currently holds a 25.3% non-controlling interest in RigNet, Inc. Energy Growth AS is wholly owned by Energy Growth Holding AS, a Norwegian limited liability company, which is in turn wholly owned by CSV III AS, a Norwegian limited liability company. Cubera Secondary KS, a Norwegian limited liability partnership, owns a 60.5% ownership stake in CSV III AS,³ and the remaining 39.5% interest in CSV III AS is held by two Norwegian limited liability companies (the equity and voting interests of both are entirely held by Norwegian entities and individuals), neither of which holds a 10% indirect equity or voting interest in RigNet. Cubera Secondary (GP) AS, a Norwegian limited liability company, is the general partner of, and holds a 1% equity interest, in Cubera Secondary KS. The limited partners of Cubera Secondary KS are organized in, or are citizens of, Norway, Luxembourg, Switzerland, Sweden, or the UK-Scotland. None of the Cubera limited partners holds a 10% indirect equity or voting interest in RigNet. Namlos AS, a Norwegian limited liability company, owns a 45.9% stake in Cubera Secondary (GP) AS, and the remaining 54.1% interest in Cubera Secondary (GP) AS is held by two Norwegian

² RigNet and Stratos will file applications for Commission approval of the assignment of: (1) Wireless Radio Services Licenses, (2) spectrum leases, (3) earth station authorizations, and (4) domestic and international Section 214 authorizations.

³ Note that all references to indirect voting interests have been calculated by counting any interest above 50% in any link of the ownership chain as a 100% interest.

limited liability companies and one Swedish limited liability company (the equity and voting interests of each are entirely held by Norwegian individuals), none of which holds a 10% indirect equity or voting interest in RigNet and are entirely owned by Norwegian citizens. Namlos AS is wholly owned by Jorgen Kjaernes, a citizen of Norway. Exhibit A is a diagram depicting the ownership and control of RigNet and Energy Growth.

II. INFORMATION REQUIRED BY SECTION 1.991

Pursuant to Section 1.991 of the Commission's Rules, RigNet submits the following information in support of this Petition:

(a) Contact Information, FRN, Place of Organization, and Type of Business of each Applicant:

RigNet SatCom, Inc.
1880 S. Dairy Ashford, Suite 300
Houston, TX 77077
(281) 674-0100 (Tel)

FRN: 0015217680
Place of Organization: Delaware
Type of Business: Corporation
Name and Title of Officer Certifying Information: Mark Slaughter, Chief Executive Officer and President

(b) Legal Counsel Contact:

For RigNet:

Catherine Wang
Danielle Burt
Bingham McCutchen LLP
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Washington, DC 20006
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With a copy to:

Bob Ward
RigNet, Inc.
1880 S. Dairy Ashford, Suite 300
Houston, Texas 77077
281-674-0775 (Tel)
281-674-0101 (Fax)
bob.ward@rig.net

(c)(2) Information about Assignment Applications, including Filing Date, and Types of Radio Services Covered

RigNet expects to file assignment applications for the Wireless Radio Services Licenses and satellite earth stations by August 15, 2013. As described above, RigNet will hold the following types of radio service authorizations upon completion of the Transaction: Industrial/Business Pool, Conventional (IG), Industrial/Business Pool-Commercial/Conventional (IK), Wireless Communications Service (WS), Common Carrier Fixed Point-to-Point Microwave Services (CF), Microwave Industrial/Business Pool (MG), 3650-2700 MHz (NN), Broadband Radio Service (BR), and Offshore Radiotelephone (CO), and will hold earth station licenses.⁴

(d) Type of Declaratory Ruling Request

RigNet requests a declaratory Ruling pursuant to Section 310(b)(4) and Section 1.990(a)(1) of the Commission's Rules.

(e)/(g) Direct Equity/Voting Interests of 10% or More

The following entity directly holds 10% or more of the stock of RigNet, Inc.:

Name: Energy Growth AS
Address: Tordenskioldsgate 6B
0160 Oslo
Citizenship: Norway
Principal Business: Investment
% Held: 25.3% equity/voting

(f)/(g) Indirect Equity/Voting Interests of 10% or More

The following entities indirectly hold an interest in RigNet, Inc. of 10% or more:

Name: **Energy Growth Holding AS**
Address: Tordenskioldsgate 6B
0160 Oslo
Citizenship: Norway
Principal Business: Investment
% Held: 25.3% equity/voting (owns 100% of Energy Growth AS)

Name: **CSV III AS**
Address: Tordenskioldsgate 6B
0160 Oslo
Citizenship: Norway
Principal Business: Investment

⁴ RigNet and Stratos will also be filing applications to implement the assignment of certain spectrum leases.

% Held: 25.3% equity/voting (owns 100% of Energy Growth Holdings AS)

Name: **Cubera Secondary KS**

Address: Tordenskioldsgate 6B
0160 Oslo

Citizenship: Norway

Principal Business: Investment

% Held: 25.3% voting/15.3% equity (owns 60.5% of CSV III AS)

Name: **Cubera Secondary (GP) AS**

Address: Tordenskioldsgate 6B
0160 Oslo

Citizenship: Norway

Principal Business: Investment

% Held: 25.3% voting/0.15% equity (General Partner of Cubera Secondary KS)

Name: **Namlos AS**

Address: Jarveien 16 B
1358 Jar

Citizenship: Norway

Principal Business: Investment

% Held: 11.6% voting/0.07% equity (owns 45.9% of Cubera Secondary (GP) AS)

Namlos AS is 100% owned Jorgen Kjaernes, a citizen of Norway, who may be contacted at Tordenskioldsgate 6B, 0160 Oslo, Norway. Mr. Kjaernes indirect interest in RigNet, Inc. is 11.6% voting and 0.07% equity.

(h)(1) Estimate of Aggregate Foreign Ownership

Exhibit B provides a percentage estimate of RigNet, Inc.'s aggregate direct and indirect (1) foreign equity interests which totals 43.14% and (2) foreign voting interests which totals 42.14%.⁵

To determine these percentages for RigNet, Inc.'s largest shareholders and its officer and director shareholders, RigNet, Inc. surveyed the Securities and Exchange Commission filings and other publicly available materials issued by its shareholders and requested information from its institutional investors that report beneficial ownership interests in RigNet, Inc. For investors who hold less than 5% of RigNet, Inc.'s shares, RigNet Inc. surveyed the contact addresses of all

⁵ These interests were calculated pursuant to the standards and criteria set forth in Section 1.992 of the Commission's rules.

such registered shareholders and, on that basis, has determined that 99.56% of the interests held in RigNet, Inc. shares by such less than 5% registered shareholders are U.S. RigNet, Inc. has been unable to confirm the addresses of the contacts for other less than 5% shareholders and, given the lack of information with respect to those accounts, has classified those shareholders as foreign in the aggregate foreign ownership calculation of RigNet, Inc.

As shown in Exhibit B, one investor, Energy Growth AS, accounts for the majority of foreign ownership and individually holds in excess of the 25% foreign-ownership benchmark, prompting the filing of this Petition. In addition, approximately 0.44% of RigNet, Inc.'s shareholders have known direct foreign ownership, approximately 1% of RigNet, Inc.'s institutional investor shareholders have unknown indirect ownership and is therefore classified as foreign for purposes of this analysis, and approximately 16.4% of RigNet, Inc.'s shareholders are investors whose names and nationalities are unknown and therefore are classified as foreign for the purpose of this analysis.

As described in Section III below, it would serve the public interest to allow indirect foreign ownership of RigNet in excess of the 25 percent benchmark set forth in Section 310(b)(4).

(h)(2) Ownership and Control Structure Diagram

Exhibit A depicts the ownership and control structure of RigNet, confirming that RigNet, Inc. is the real party-in-interest as disclosed in the companion assignment applications, and identifies the controlling interests in RigNet.

(i) Requests for Specific Approval of 5% or more

RigNet requests specific approval for the following foreign entities to directly or indirectly hold equity and/or voting interests as listed in RigNet, Inc. RigNet also requests that the Commission allow these entities to increase equity and voting interests held in RigNet, Inc. up to a non-controlling 49.99% interest.⁶ Further, RigNet requests that the Commission permit additional aggregate indirect and/or voting interests by foreign investors up to 100%.⁷

Energy Growth AS	direct 25.3% equity/voting
Energy Growth Holding AS	indirect 25.3% equity/voting
CSV III AS	indirect 25.3% equity/voting
Cubera Secondary KS	indirect 25.3% voting/15.3% equity
Cubera Secondary (GP) AS	indirect 25.3% voting/0.15% equity
Namlos AS	indirect 11.6% voting/0.07% equity

⁶ RigNet seeks this authority pursuant to 47 C.F.R. §1.990(k)(1).

⁷ RigNet seeks this authority pursuant to 47 C.F.R. §1.990(k)(2).

and deprive U.S. consumers of the benefits of lower prices, improved service quality, and service innovations.¹⁰

In the instant case, the Transaction will enhance the strategic positioning of both RigNet and Stratos as they continue to serve the communications needs of the global energy sector. The Transaction will add to RigNet's technology solutions, customer base and geographic footprint thereby giving RigNet broader and deeper capabilities to serve the oil and gas industry through all phases from drilling through production. Customers will benefit from RigNet's expanded services portfolio, new capabilities from additional VSAT facilities and acquired microwave and WiMAX networks in the U.S. Gulf of Mexico, and an expansion of highly skilled staff currently supporting the business. RigNet's extensive product and services portfolio tailored for the oil and gas industry, coupled with the unprecedented connectivity capabilities of Inmarsat's Global Xpress network, will make possible an unprecedented advance in managed remote communications services that are available to enterprise customers in the oil and gas industry. Also, the Transaction will serve the public interest by enabling RigNet to provide an expanded array of advanced services to meet the growing communications services demand of an important worldwide industry sector.

Moreover, RigNet is not a foreign carrier, and is not owned or controlled by a foreign carrier. As such, the Transaction will not result in an increased concentration in any market for telecommunications services and will not otherwise result in a foreign carrier's ability to exercise market power to favor a U.S. affiliate. 47 U.S.C. §§ 310(a) and (b)(1)-(3), which prohibit certain direct foreign ownership of FCC authorizations, are not implicated by this Petition because the authorizations and licenses at issue will be held by RigNet, which is U.S. corporation organized

¹⁰ *Id.* at ¶11.

under the laws of the State of Delaware, and which will to be 100% directly owned by RigNet, Inc. (a U.S. entity organized under the laws of the State of Delaware) after the consummation of the Transaction.

III. CONCLUSION

RigNet respectfully requests a declaratory ruling be issued that it is in the public interest to have indirect foreign ownership as specified herein in excess of the 25% benchmark under Section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(b)(4), as such foreign ownership pertains to the above investors, subject to standard conditions.

Respectfully submitted,



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Counsel for RigNet SatCom, Inc.

Dated: August 15, 2013

Exhibit A

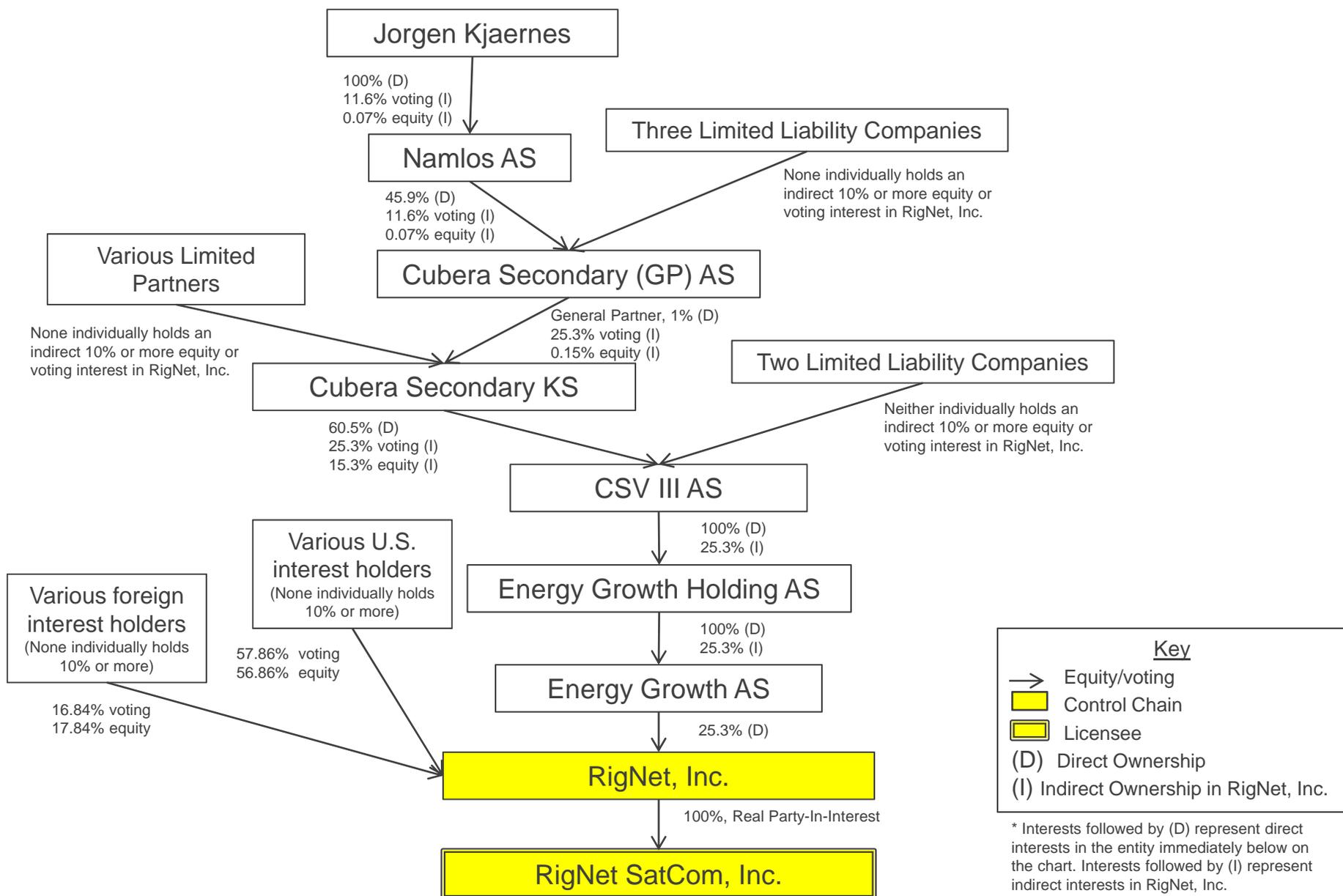
Aggregate Foreign Investor Interests in RigNet, Inc.

Investor	Country of Citizenship/Organization	Aggregate % Voting	Aggregate % Equity
Energy Growth AS	Norway	25.3%	25.3%
Aggregate Known	Norway, Brazil, Canada, Malaysia, Qatar, Singapore, Sweden, United Kingdom	0.44%	0.44%
Aggregate Unknown	Unknown	16.4%	17.4%
TOTAL		42.14%	43.14%

Exhibit B

Ownership and Control Structure Chart

RigNet Ownership and Control Structure



CERTIFICATION

I, Mark Slaughter, state that I am the Chief Executive Officer and President of RigNet SatCom, Inc. ("RigNet"); that I am authorized to make this Certification on behalf of RigNet; that the foregoing petition was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 12 day of August, 2013.



Mark Slaughter
Chief Executive Officer and President
RigNet SatCom, Inc.