## BINGHAM

Catherine Wang Denise Wood catherine.wang@bingham.com denise.wood@bingham.com

September 30, 2013

## Via IBFS

Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary 445 12th Street, SW Room TW-A325 Washington, DC 20554

#### Re: <u>SUPPLEMENT</u> IBFS File Nos. SES-ASG-20130815-00736 & SES-ASG-20130815-00737-Applications of Stratos Offshore Services Company to Assign Earth Station Licenses to RigNet SatCom, Inc.

Dear Ms. Dortch:

On behalf of RigNet SatCom, Inc. ("RigNet"), this letter is being submitted to supplement the above-referenced proceedings.<sup>1</sup> Attached hereto is a copy of the supplement to RigNet's Petition for Declaratory Ruling as filed in File No. ISP-PDR-20130815-00004.

Respectfully submitted,

/s/ Denise Wood

Catherine Wang Denise Wood

Counsel for RigNet Satcom, Inc.

cc (via email): Karl Kensinger, IB Jeannette Spriggs, IB Christine Crowe, Stratos

Boston Hartford Hong Kong London Los Angeles New York Orange County San Francisco Santa Monica Silicon Valley Tokyo Washington

Bingham McCutchen LLP 2020 K Street NW Washington, DC 20006-1806

> T 202.373.6000 F 202.373.6001 bingham.com

A/75745875.1

<sup>&</sup>lt;sup>1</sup> RigNet is concurrently filing: (1) a supplement to the pending applications to assign Section 214 authorizations (WC Docket No. 13-224 and File No. ITC-ASG-20130815-00212), (2) an amendment to the pending application to assign wireless radio service licenses (File No. 0005888867), and (3) amendments to the pending lease applications (File Nos. 005896965 and 0005897246).

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Communications Commission

Thank you for your submission. Please make a note of your confirmation number: IB2013002152

The following information was submitted with this Pleading:

Type of Pleading SUPPLEMENT

Date 09/30/2013

**Filer Information** RigNet SatCom, Inc. RigNet SatCom, Inc. 1880 S. Dairy Ashford Suite 505 Houston TX 77077 USA 2816740700 mark.slaughter@rig.net

**Contact Information** Catherine Wang and Danielle Burt Bingham McCutchen LLP

2020 K Street, N.W. Washington DC20006 USA 202-373-6000 danielle.burt@bingham.com

#### **Proceedings List**

File Number ISP-PDR-20130815-00004

Applicant Call Sign RigNet SatCom, Inc.

#### Non-Confidential Attachment(s)

Date Uploaded	Description	File Name
09/30/2013	Supplement to Petition for Declaratory Ruling	RigNet - Supplement

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## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

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In the Matter of the Joint Application of

RigNet SatCom, Inc.

Petition for Declaratory Ruling Under Section)310(b)(4) of the Communications Act, as Amended)To Permit Indirect Foreign Investment)Above 25 Percent)

File No. ISP-PDR-20130815-00004

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

RigNet SatCom, Inc. ("RigNet") hereby supplements its Petition for Declaratory Ruling

("Petition") under section 310(b)(4) of the Communications Act of 1934, as amended (the

"Act"), filed on August 15, 2013 in connection with the filing of several assignment applications

("Applications") filed with the Commission on the same date.<sup>1</sup>

## I. BACKGROUND

Since the Petition was filed, Energy Growth Holding AS, Energy Growth AS and Cubera

Secondary KS entered into an agreement with KKR European Fund III, Limited Partnership

("KKR European Fund III"), a fund controlled by affiliates of KKR & Co. L.P. ("KKR"), and

Digital Oilfield Investments LP, a controlled affiliate of KKR European Fund III ("Digital"),

whereby Digital, organized under the laws of the Cayman Islands, will acquire an approximate

27.2 percent interest in RigNet, Inc. (hereinafter, the "KKR Transaction"). Accordingly, and as

<sup>&</sup>lt;sup>1</sup> RigNet is concurrently filing: (1) supplements to the pending applications to assign Section 214 authorizations (WC Docket No. 13-224 and File No. ITC-ASG-20130815-00212), (2) supplements to the pending applications to assign earth station licenses (File Nos. SES-ASG-20130815-00736 and SES-ASG-20130815-00737), (3) an amendment to the pending application to assign wireless radio service licenses (File No. 00058888867), and (4) amendments to the pending lease applications (File Nos. 005896965 and 0005897243).

set forth below, RigNet requests that grant of the Petition, as modified herein, include authority for Digital to have an ownership interest in RigNet in excess of the twenty-five percent statutory benchmark pursuant to Section 310(b)(4) of the Act. As described more fully below, the additional foreign ownership in RigNet as a result of the KKR Transaction would serve the public interest.

Pursuant to the KKR Transaction, Digital, a Cayman Islands exempted limited partnership, will acquire approximately 27.2 percent of RigNet, Inc.'s shares. As noted in the original Petition, RigNet, Inc., a publicly held Delaware corporation, owns 100 percent of the outstanding shares of RigNet.

Digital's general partner is Digital Oilfield Investments GP Limited, a Cayman Islands exempted company ("Digital GP").

KKR European Fund III, Limited Partnership, a Cayman Islands exempted limited partnership, will have an approximately 95 percent direct limited partnership interest in Digital. Approximately 62% of the capital contributed to KKR European Fund III by its limited partners is derived from non-U.S. entities,<sup>2</sup> while the remainder is provided by U.S. entities. KKR European Fund III, Limited Partnership is also the sole member of Digital GP.

KKR Partners II (International), L.P. ("KKR Partners II"), a Cayman Islands exempted limited partnership, will have an approximately 5 percent direct limited partnership interest in Digital. KKR Partners II is insulated in accordance with the Commission's rules.<sup>3</sup>

KKR European Fund III's general partner is KKR Associates Europe III, Limited Partnership, a Cayman Islands exempted limited partnership.

<sup>&</sup>lt;sup>2</sup> The non-U.S. investment comes from the British Virgin Islands, Canada, Cayman Islands, Finland, Germany, Ireland, Japan, Jersey (Channel Islands), Republic of Korea, Scotland, Singapore, Sultanate of Oman, Switzerland, The Netherlands, and the United Kingdom.

<sup>&</sup>lt;sup>3</sup> See 47 C.F.R. § 1.993(a).

KKR Associates Europe III, Limited Partnership's general partner is KKR Europe III Limited, a Cayman Islands exempted company. The limited partners of KKR European Fund III are insulated.

KKR Europe III Limited's sole member is KKR Fund Holdings L.P., a Cayman Islands exempted limited partnership. KKR Fund Holdings L.P. has two general partners: (1) KKR Fund Holdings GP Limited, a Cayman Islands exempted company, and (2) KKR Group Holdings L.P., a Cayman Islands exempted limited partnership. The sole shareholder of KKR Fund Holdings GP Limited is KKR Group Holdings L.P. KKR Group Holdings L.P.'s general partner is KKR Group Limited, a Cayman Islands exempted company. The sole shareholder of KKR Group Limited is KKR & Co. L.P. ("KKR"), a Delaware limited partnership listed on the New York Stock Exchange. The interests of the limited partners of KKR are insulated. KKR's general partner is KKR Management LLC, a Delaware limited liability company. KKR Management LLC does not hold any economic interests in KKR and is owned by senior KKR principals.

The designated members of KKR Management LLC are Henry R. Kravis and George R. Roberts, both U.S. citizens. Exhibit A contains a chart of RigNet's ownership and control structure as it relates to KKR.

## II. INFORMATION REQUIRED BY SECTION 1.991

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

#### Sections 1.991(e) and (g) – Direct Equity/Voting Interests of 10 Percent or More

The following additional entity will directly hold 10 percent or more of the stock of RigNet, Inc. or have a 10 percent or more voting interest in RigNet, Inc.:

Name:

#### **Digital Oilfield Investments LP**

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Address:	Maples Corporate Services Limited, Ugland House, PO Box 309,
	George Town, Grand Cayman, KY1-1104, Cayman Islands
Citizenship:	Cayman Islands
Principal Business:	Investment Vehicle
% Held:	27.2% equity/27.2% voting

## Sections 1.991(f) and (g) – Indirect Equity/Voting Interests of 10 Percent or More

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

Name: Address: Citizenship: Principal Business: % Held:	<b>Digital Oilfield Investments GP Limited</b> Maples Corporate Services Limited, Ugland House, PO Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands Cayman Islands Investment Vehicle less than 1% equity / 27.2% voting (General Partner of Digital Oilfield Investments LP)
Name: Address: Citizenship: Principal Business: % Held:	KKR European Fund III, Limited Partnership Maples Corporate Services Limited, Ugland House, PO Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands Cayman Islands Investment Fund 25.84% equity / 27.2% voting (owns 95% of Digital Oilfield Investments LP)
Name: Address: Citizenship: Principal Business: % Held:	KKR Associates Europe III, Limited Partnership Maples Corporate Services Limited, Ugland House, PO Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands Cayman Islands Investment Management Company less than 1% equity / 27.2% voting (General Partner of KKR European Fund III, Limited Partnership)
Name: Address: Citizenship: Principal Business: % Held:	KKR Europe III Limited Maples Corporate Services Limited, Ugland House, PO Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands Cayman Islands Investment Management Company less than 1% equity / 27.2% voting (General Partner of KKR Associates Europe III, Limited Partnership)
Name: Address:	<b>KKR Fund Holdings L.P.</b> Maples Corporate Services Limited, Ugland House, PO Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands

Citizenship: Principal Business: % Held:	Cayman Islands Investment Management Company less than 1% equity / 27.2% voting (Sole member of KKR Europe III Limited)
Name: Address: Citizenship: Principal Business: % Held:	KKR Fund Holdings GP Limited Maples Corporate Services Limited, Ugland House, PO Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands Cayman Islands Investment Management Company less than 1% equity / 27.2% voting (General Partner of KKR Fund Holdings L.P.)
Name: Address: Citizenship: Principal Business: % Held:	KKR Group Holdings L.P. Maples Corporate Services Limited, Ugland House, PO Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands Cayman Islands Investment Management Company less than 1% equity / 27.2% voting (General Partner of KKR Fund Holdings L.P. and sole shareholder of KKR Fund Holdings GP Limited)
Name: Address: Citizenship: Principal Business: % Held:	KKR Group Limited Maples Corporate Services Limited, Ugland House, PO Box 309, George Town, Grand Cayman, KY1-1104, Cayman Islands Cayman Islands Investment Management Company less than 1% equity / 27.2% voting (General Partner of KKR Group Holdings L.P.)
Name: Address: Citizenship: Principal Business: % Held:	KKR & Co. L.P. c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 Delaware Investment Management Company less than 1% equity / 27.2% voting (Sole member of KKR Group Limited)
Name: Address: Citizenship: Principal Business: % Held:	KKR Management LLC c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 Delaware Investment Management Company 0% equity/ 27.2% voting (General Partner of KKR & Co. L.P.)

Name: Address: Citizenship: Principal Business: % Held:	Henry R. Kravis 9 West 57th Street, Suite 4200, New York, NY United States Investments less than 5% equity / 27.2% voting (Designated member of KKR Management LLC)
Name: Address: Citizenship: Principal Business: % Held:	George R. Roberts 9 West 57th Street, Suite 4200, New York, NY United States Investments less than 5% equity / 27.2% voting (Designated member of KKR Management LLC)

## Section 1.991(h)(1) – Estimate of Aggregate Foreign Ownership Table

An updated Exhibit B is attached providing a percentage estimate of RigNet, Inc.'s aggregate direct and indirect (1) foreign equity interests which totals 45.04% and (2) foreign voting interests which totals 44.04%.<sup>4</sup>

## Section 1.991(h)(2) – Ownership and Control Structure Diagram

Exhibit A depicts the ownership and control structure of KKR's interest in RigNet.

#### Section 1.991(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 additional entities to increase equity and voting interests held in RigNet, Inc. up to a non-controlling 49.99 percent interest. Further, RigNet also requests that the Commission permit additional aggregate indirect and/or voting interests by foreign investors up to 100 percent.

Digital Oilfield Investments LP Digital Oilfield Investments GP Limited KKR European Fund III, Limited Partnership KKR Associates Europe III, Limited Partnership KKR Europe III Limited KKR Fund Holdings L.P. KKR Fund Holdings GP Limited KKR Group Holdings L.P. KKR Group Limited direct 27.2% equity/ 27.2% voting indirect less than 1% equity/27.2% voting indirect 25.84% equity/27.2% voting indirect less than 1% equity/27.2% voting

<sup>&</sup>lt;sup>4</sup> These interests were calculated pursuant to the standards and criteria set forth in Section 1.992 of the Commission's rules.

RigNet also requests specific approval for KKR & Co. L.P., which will hold an indirect equity interest of less than 1% and voting interest of 27.2%, to have foreign equity and/or voting interest up to and including a non-controlling indirect 49.99 percent equity and/or voting interest in RigNet, Inc.

## Section 1.991(j) – Place of Organization & Type of Business for Foreign Investors

Each of the entities named in response to Section 1.991(i) above are organized in the Cayman Islands. The following entities are Exempted Limited Partnerships:

Digital Oilfield Investments LP KKR European Fund III, Limited Partnership KKR Associates Europe III, Limited Partnership KKR Fund Holdings L.P. KKR Group Holdings L.P.

The following entities are Exempted Companies:

Digital Oilfield Investments GP Limited KKR Europe III Limited KKR Group Limited

## III. CONCLUSION AND REQUEST FOR EXPEDITED CONSIDERATION

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. RigNet further respectfully requests this matter be given expedited consideration. This Petition relates to an asset transaction for which multiple assignment applications have been filed.<sup>5</sup> RigNet has expended, and is continuing to expend, significant resources to transition its business systems to operate the assets to be acquired, not to mention discontinuing Inmarsat's accounting team in Newfoundland, Canada and re-establishing the function in Houston through considerable investment in new hire accounting personnel. RigNet is working to complete all of the business

<sup>&</sup>lt;sup>5</sup> See infra footnote 1.

and operational arrangements necessary to meet the conditions to closing of the asset transaction and anticipates that all such arrangements will be in place by December 15, 2013, leaving the FCC regulatory approvals as the only potentially outstanding condition to completing the transaction. A prolonged delay in the closing of this transaction will result in material cost inefficiencies increasing the economic burden on RigNet thereby making it more difficult to successfully integrate the purchased assets and customer services on a timely basis. Further, RigNet is acutely aware that a delay in the closing creates significant uncertainty that puts at risk the operational and technical personnel to be transferred and needed for a seamless transition in operations and customer service. RigNet accordingly requests that the Commission expedite its consideration of this Petition.

Respectfully submitted,

/s/ Danielle Burt Catherine Wang Danielle Burt BINGHAM MCCUTCHEN LLP 2020 K Street, N.W. Washington, DC 20006-1806 (202) 373-6000 (Tel) (202) 373-6001 (Fax) catherine.wang@bingham.com danielle.burt@bingham.com

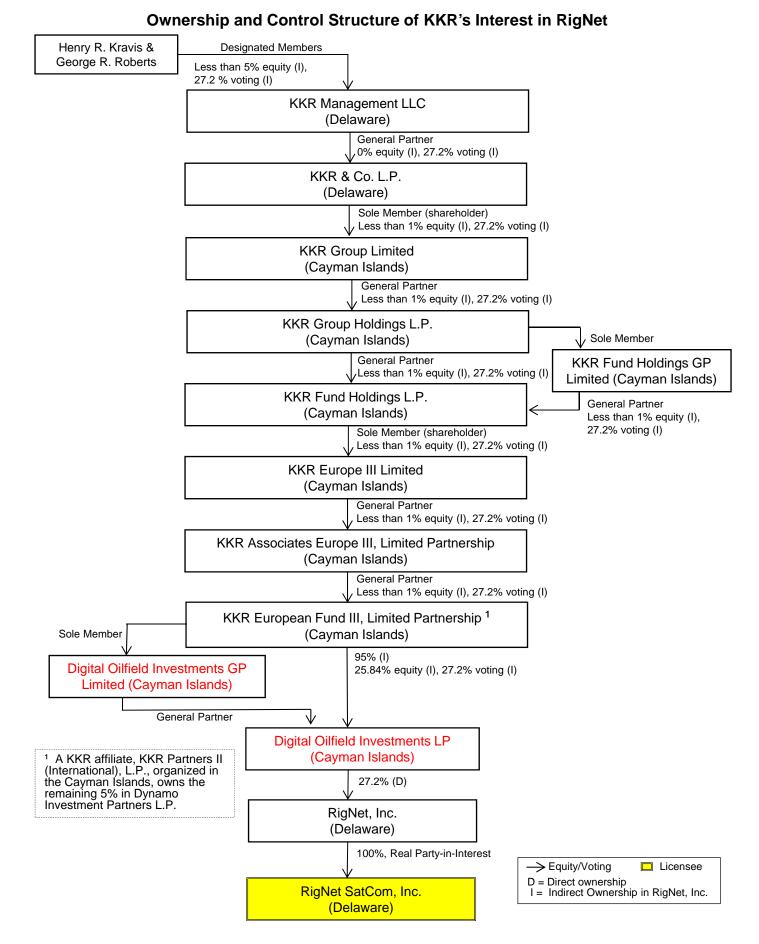
Counsel for RigNet SatCom, Inc.

Dated: September 30, 2013

## <u>Exhibit A</u>

**RigNet Ownership and Control Structure as it relates to KKR** 

## <u>EXHIBIT A</u>



## <u>Exhibit B</u>

## Aggregate Foreign Investor Interests in RigNet, Inc.

Investor	Country of Citizenship/Organization	Aggregate % Voting	Aggregate % Equity
Digital Oilfield Investments LP	Cayman Islands	27.2%	27.2%
Aggregate Known	Norway, Brazil, Canada, Malaysia, Qatar, Singapore, Sweden, United Kingdom	0.44%	0.44%
Aggregate Unknown	Unknown	16.4%	17.4%
TOTAL		44.04%	45.04%

## 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 Supplement to the Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as amended, 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 30 day of September, 2013.

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