

Introduction

By this application, Riverside Fund IV, L.P. (“Riverside” or “Transferor”) and Panasonic Corporation of North America (“PNA” or “Transferee”) request Commission consent to the transfer of control of ITC Global USA, LLC (“ITC USA” or “Licensee”), the holder of non-common carrier¹ earth station licenses E020297, E040123, E040166, E040284, E040444, E050131, E070119, E070239, E850127, E920639, E920640, E990070, and E100007.² ITC USA provides satellite communication services to, from and within the United States, on a non-common carrier basis, in support of the oil and gas, mining, commercial maritime, and other industries requiring reliable, remote communications capabilities.

Description of the Transaction

Licensee, ITC USA, is a wholly-owned direct subsidiary of ITC Global, Inc. (“ITC Global”), which in turn is a wholly-owned subsidiary of ITC Global Holdings, LLC (“ITC Holdings”). ITC Global and its affiliates provide satellite-based, enterprise class voice, video

¹ One of these earth stations, E990070, is currently licensed on a common carrier basis, but operating on a non-common carrier basis. On February 11, 2015, ITC USA filed an application to modify that license to change it to a non-common carrier classification. *See* File Number: SES-MOD-20150211-00071. On February 25, 2015, the Commission issued a *Public Notice* accepting this application for filing. *See* Report No. SES-01726. This application remains pending, and the Parties request that the Commission grant that application before taking action on the transfer of control application with respect to that license. The Parties are concurrently seeking Commission consent to the transfer of control of ITC USA’s international Section 214 authorization.

² On March 6, 2015, the Licensee filed an application to modify its earth station license, Call Sign E920639, to add certain antenna facilities. *See* File No. SES-MOD-20150326-00114. Licensee also intends to file an application to modify another earth station license, Call Sign E920640, to add an antenna facility. Both of these Call Signs are included in the instant application. The Parties request that the Commission consider these modification applications concurrently with, but independently of, the transfer of control application, associated with those Call Signs, so that the modification applications may be granted under normal processing guidelines and not be delayed by the Commission’s consideration of the transfer of control.

and data communications services, primarily to oil and gas, mining, and commercial maritime customers and their employees that cannot be served by more conventional terrestrial networks.

Currently, Transferor, Riverside, exercises *de jure* and *de facto* control over ITC Holdings through its ownership of a majority of the equity and voting interests in that entity. Transferor therefore indirectly controls Licensee.

Pursuant to a Purchase Agreement, dated as of February 27, 2015, by and among Transferee, ITC Holdings, and other parties (the "Purchase Agreement"), PNA will acquire 100 percent of the equity securities of the Licensee's direct parent, ITC Global, from ITC Holdings. Following the transaction, Licensee will continue to be a wholly-owned direct subsidiary of ITC Holdings, which, in turn, will be a wholly-owned subsidiary of PNA. Riverside and ITC Global, in accordance with the terms of the Purchase Agreement, will cease to have any direct or indirect ownership or control over the Licensee. Thus, following receipt of Commission consent and consummation of the transaction pursuant to the Purchase Agreement, ownership and control of the Licensee will be transferred to PNA, from Riverside and ITC Holdings. Organizational charts illustrating the transaction are attached as **Attachment 1**.

The Transaction Will Serve the Public Interest

Consummation of this transaction will serve the public interest. Under well-established precedent, the Commission evaluates both potential public interest harms from the proposed transaction as well as public interest benefits.³ In this instance, there are no public interest harms or reductions in competition associated with this transaction. To the contrary, ITC Global and

³ See, e.g., *Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC, Transferors and Intelsat Holdings, Ltd., Transferee, Consolidated Application for Authority to Transfer Control of PanAmSat Licensee Corp. and PanAmSat H-2 Licensee Corp.*, IB Docket No. 05-290, Memorandum Opinion and Order, FCC 06-85, 21 FCC Rcd 7368 (2006) ("*PanAmSat/Intelsat*"), at ¶ 17.

PNA do not compete today and had no plans to do so in the future. PNA currently owns and controls Panasonic Avionics Corporation (“Panasonic Avionics”), an FCC blanket earth station aboard aircraft (“ESAA”) licensee and a global leader in delivering in-flight broadband, voice, text, data, and entertainment connectivity to passenger aircraft around the world.⁴

ITC Global serves remote-operation industries, such as oil and gas, mining, and commercial maritime, with a network that is comprised of end-to-end satellite solutions. While these services require some of the same inputs that Panasonic Avionics uses – chiefly satellite backhaul capacity – the two companies serve distinctly different end users. While Panasonic Avionics focuses on serving airborne mobile platforms, ITC USA’s customers operate terrestrial or off-shore sites. As the Commission has recognized with respect to such services, “satellite communication services are substantially differentiated one from another in terms of frequency band, transponder power, and the geographic coverage of antennas.”⁵ Thus, the transaction will not result in anti-competitive market concentration. Given that PNA and ITC Global serve different market segments, the transfer of control will not decrease competition in any market.

To the contrary, as discussed herein, the transaction will generate efficiency benefits that will accrue to customers of both Panasonic Avionics and ITC Global. *First*, the transaction will place the Licensee under the control of a well-capitalized, globally-recognized technology company with extensive experience and expertise, through Panasonic Avionics, in delivering satellite-based services to difficult-to-reach customers around the world. From day one, PNA will be able to apply this expertise to ensure that ITC Global’s customers make a seamless

⁴ See Call Sign E100089, File No. SES-MFS-20130930-00845. PNA also holds global international Section 214 global resale authority from the Commission. See File No. ITC-214-20110307-00061.

⁵ *PanAmSat/Intelsat* at ¶ 29.

transition to the new ownership structure and gain access to improved services and customer experiences.

Under PNA's ownership and control, ITC USA will continue to operate the licensed earth stations effectively, providing high-quality services without interruption to existing customers under the rates, terms, and conditions that are specified in their current contracts. The only change will be that ITC USA will be supported by the substantial resources of a new parent company, PNA, and will benefit from PNA's satellite communications experience and financial and operational support.

Second, the transaction will enable both Panasonic Avionics and ITC Global to serve their customers more efficiently, as PNA consolidates the satellite delivery networks that each company maintains individually today and explores other operational efficiencies. For example, by consolidating duplicative coverage and combining both companies' purchasing power, PNA will have greater ability to obtain satellite transmission capacity – a necessary and costly input to both businesses – more efficiently and at better prices. These efficiency gains have the potential to enable both companies to compete more effectively within their respective retail markets by offering innovative new services and better pricing to their customers. In this way, customers will become the ultimate beneficiaries of this transaction.

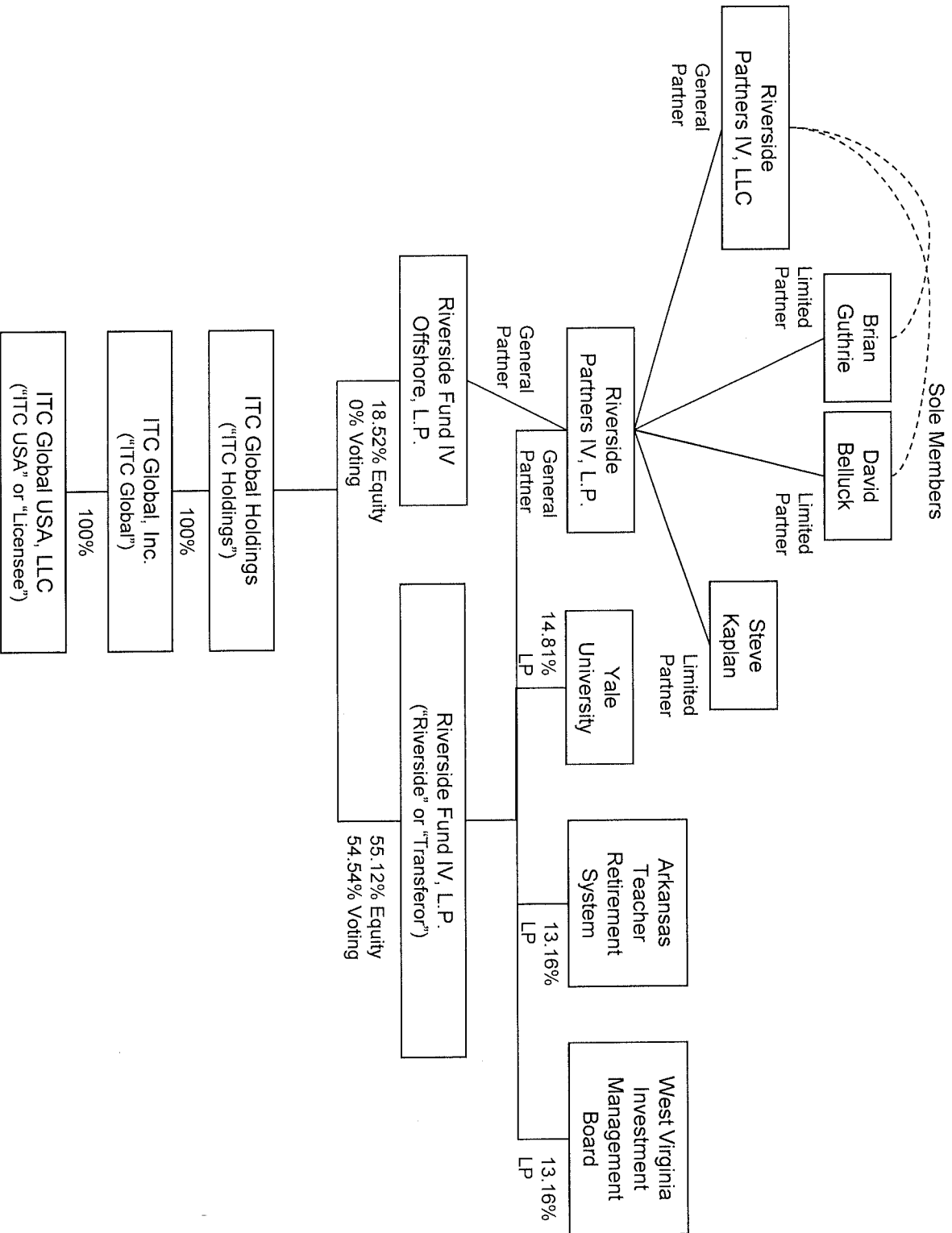
Third, by expanding into new markets, the transaction will enable PNA and Licensee to realize other benefits of increased operational scale and scope. By adding ITC Global's experience in selling and delivering communications services to oil and gas, mining, and commercial maritime customers to its own aeronautical expertise, PNA will be able to provide operational support more efficiently to both businesses, consolidate administrative functions, and

reduce operational costs, where possible. Such efficiencies will further enhance the competitiveness of both ITC Global and Panasonic Avionics within their respective markets.⁶

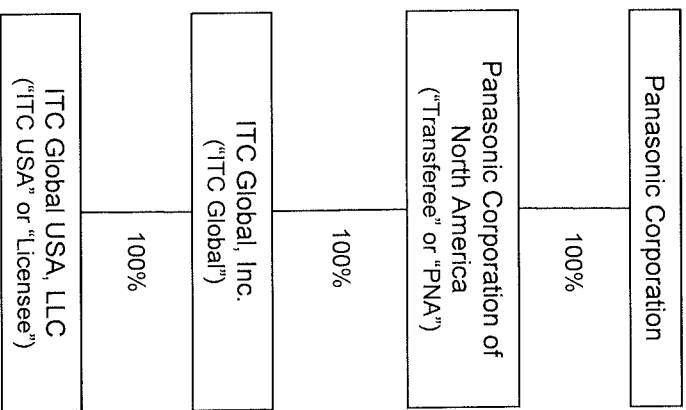
Finally, through Panasonic Avionics, PNA's extensive history before the Commission as a leading provider of Ku-band aeronautical services demonstrates that PNA is qualified to operate the subject ITC USA earth stations. In August 2011, the Commission granted PNA initial blanket license authority to operate up to fifteen (15) Aeronautical Mobile-Satellite Service ("AMSS") aircraft earth stations in the Ku-band, and subsequent modifications to that license have expanded this authority to thousands of terminals providing service to dozens of U.S. and foreign airlines. PNA (through Panasonic Avionics) continues to operate these terminals and has been an exemplary license holder. Accordingly, based on the foregoing, the proposed transfer of control will serve the public interest and should be consented to.

⁶ See, e.g., *BRH Holdings GP, Ltd., Transferor and EchoStar Corporation, Transferee Applications for Consent to Transfer Control of Hughes Communications, Inc., Hughes Network Systems, LLC and HNS License Sub, LLC*, IB Docket NO. 11-55, Order, DA 11-1015, 26 FCC Rcd 7976 (Int'l Bur. 2011) at ¶ 14 (approving the transaction because it strengthened the ability of the transferee to compete within its markets, stating: "[w]ith the increased capacity of the Jupiter 1 satellite, and with the ability to provide the subscriber with a seamless technical experience, the proposed transaction could result in increased competition to terrestrial multichannel video programming distribution providers, such as Comcast and Verizon, which offer bundled services").

Pre-Closing Ownership Structure of Licensee



Post-Closing Ownership Structure of Licensee



Depiction of Transaction

