



# PUBLIC NOTICE

**Federal Communications Commission  
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Washington, D.C. 20554**

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**DA 13-2084  
Released: October 28, 2013**

## **APPLICATIONS FILED FOR THE ACQUISITION OF ASSETS OF STRATOS OFFSHORE SERVICES COMPANY BY RIGNET SATCOM, INC.**

### **PLEADING CYCLE ESTABLISHED**

**WC Docket No. 13-224**

**Comments Due: November 27, 2013  
Reply Comments Due: December 12, 2013**

Stratos Offshore Services Company (Stratos) and RigNet SatCom, Inc. (RigNet) (together, Applicants) filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act),<sup>1</sup> seeking approval for the acquisition by RigNet of certain assets of Stratos, including domestic and international section 214 authorizations, earth station and wireless licenses and leases, related network facilities, and customer accounts associated with Stratos' retail energy business. Applicants also filed a petition pursuant to section 310(b)(4) of the Act<sup>2</sup> to permit greater than 25 percent foreign ownership of RigNet, Inc., which wholly owns and controls RigNet.

Stratos, a Delaware corporation, is a wholly owned direct subsidiary of Stratos Holdings, Inc., which is ultimately owned by Inmarsat plc, a United Kingdom company that provides mobile and fixed satellite services. Stratos provides competitive local exchange and interexchange services in Texas and Louisiana and very small aperture terminal (VSAT) Supervisory Control and Data Acquisition (SCADA) services in all states except Hawaii. Stratos primarily serves oil and gas industry customers.

RigNet, a Delaware corporation, provides global satellite services to oil and gas industry facilities primarily located in remote areas. Applicants state that RigNet does not currently provide domestic interstate or intrastate telecommunications services. According to the Applicants, RigNet, Inc. is a publicly held Delaware corporation. They state that Digital Oilfield Investments LP (Digital), Cayman Islands exempted limited partnership, holds directly 28.2 percent of the equity and voting interests in RigNet and that no other single individual or entity holds direct equity or voting interests in RigNet of ten percent or greater.<sup>3</sup> A series of affiliated Cayman Islands investment entities controlled by KKR & Co. L.P. (KKR), a Delaware limited partnership, own and control Digital. KKR Management LLC, a

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<sup>1</sup> 47 U.S.C. §§ 214, 310(d).

<sup>2</sup> 47 U.S.C. § 310(b)(4).

<sup>3</sup> Applicants state that, subsequent to the filing of the application, Energy Growth AS, a Norwegian entity that was the largest shareholder of RigNet, Inc., sold its shares to Digital.

Delaware limited liability company, serves as the general partner of KKR. Henry R. Kravis and George R. Roberts, both U.S. citizens, are designated members of KKR Management LLC.

Pursuant to the terms of the proposed transaction, RigNet will acquire the portion of Stratos' operations focused on providing retail broadband communications services to the energy sector. Applicants state that customers will continue to receive service from RigNet under the same rates, terms, and conditions as they do prior to the closing. Applicants further state that the proposed transaction is in the public interest. They assert that RigNet is qualified to serve Stratos' customer base and that customers will have access to expanded advanced services and new capabilities from additional VSAT and other network facilities in the U.S. Gulf of Mexico and an expansion of skilled management and staff at RigNet.

## SECTION 214 AUTHORIZATIONS

### A. International

The application for consent to the transfer of control of certain international section 214 authorizations from Stratos to RigNet has been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-ASG-20130815-00212	Stratos Offshore Services Company	ITC-214-19980914-00636 ITC-214-19991220-00815

### B. Domestic

The Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction.<sup>4</sup> They seek streamlined treatment for this application under section 63.03(b)(2)(i) of the Commission's rules.<sup>5</sup> In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control application is not subject to streamlined treatment.<sup>6</sup>

## SECTION 310(d) APPLICATIONS

The applications for consent to the assignment of licenses under section 310(d) have been assigned the file numbers listed below.

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
SES-ASG-20130815-00736	Stratos Offshore Services Company	E070189
SES-ASG-20130815-00737	Stratos Offshore Services Company	E950149

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<sup>4</sup> Joint Application for Grant of Authority to Complete an Assignment of Licenses and Purchase of Assets of an Authorized Domestic and International Section 214 Carrier, WC Docket No. 13-224 (filed Aug. 15, 2013). Applicants filed supplements to their application on September 30 and October 23, 2013.

<sup>5</sup> 47 C.F.R. § 63.03(b)(2)(i).

<sup>6</sup> See 47 C.F.R. § 63.03(c)(1).

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Stratos Offshore Services Company

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The applications for new *de facto* transfer spectrum leasing authorizations (in lieu of applications to assign spectrum leasing authorizations from Stratos to RigNet) have been assigned the file numbers listed below.

<u>File Number</u>	<u>Licensee</u>	<u>Lessee</u>	<u>Lead Call Sign</u>
0005897246	BellSouth Mobile Data, Inc.	RigNet SatCom, Inc.	KNLB214
0005896965	Unrestricted Subsidiary Funding Company	RigNet SatCom, Inc.	WPSL356

#### **PETITION FOR DECLARATORY RULING UNDER SECTION 310(b)(4)**

Applicants seek a declaratory ruling under section 310(b)(4) of the Act, 47 U.S.C. § 310(b)(4), and section 1.990 through 1.994 of the Commission's rules,<sup>7</sup> that it would serve the public interest to permit foreign ownership in RigNet's controlling U.S.-organized parent, RigNet, Inc., in excess of the 25 percent foreign ownership benchmark in section 310(b)(4), including Digital's 28.2 percent equity and voting interest in RigNet, Inc. Applicants also request specific approval for Digital's upstream owners that are foreign-organized entities to directly or indirectly hold their current respective equity and/or voting interests. In addition, Applicants seek specific approval to allow Digital and these upstream owners to increase their equity and/or voting interests up to a non-controlling 49.99 percent interest in RigNet, Inc. Further, they request that the Commission permit additional aggregate indirect equity and/or voting interests by foreign investors in RigNet, Inc. up to 100 percent. Applicants estimate RigNet, Inc.'s current aggregate direct and indirect foreign equity and voting interests are 45.89 percent and 44.89 percent, respectively.

The Petition for Declaratory Ruling has been assigned File No. ISP-PDR-20130815-00004.

#### **GENERAL INFORMATION**

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file comments **on or before November 27, 2013**, and reply comments **on or before December 12, 2013**.

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.

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<sup>7</sup> 47 U.S.C. §§ 1.990-1.994. See *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, As Amended*, IB Docket No. 11-133, Second Report and Order, FCC 13-50, 28 FCC Rcd 5741 (2013) (*Foreign Ownership Second Report and Order*).

- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12<sup>th</sup> St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12<sup>th</sup> Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

**In addition, provide one copy of each pleading to each of the following:**

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com); phone: (202) 488-5300; facsimile: (202) 488-5563;
- 2) Jodie May, Competition Policy Division, Wireline Competition Bureau, [jodie.may@fcc.gov](mailto:jodie.may@fcc.gov) or (202) 418-1413 (facsimile);
- 3) David Krech, Policy Division, International Bureau, [david.krech@fcc.gov](mailto:david.krech@fcc.gov) or (202) 418-2824 (facsimile);
- 4) Karl Kensinger, Satellite Division, International Bureau, [karl.kensinger@fcc.gov](mailto:karl.kensinger@fcc.gov) or (202) 418-0748 (facsimile);
- 5) Kathy Harris, Mobility Division, Wireless Telecommunications Bureau, at [kathy.harris@fcc.gov](mailto:kathy.harris@fcc.gov) or (202) 418-7447 (facsimile);
- 6) Jim Bird, Office of General Counsel, [TransactionTeam@fcc.gov](mailto:TransactionTeam@fcc.gov) or (202) 418-1234 (facsimile).

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.<sup>8</sup> Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments

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<sup>8</sup> 47 C.F.R. §§ 1.1200 *et seq.*

already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For further information, please contact Jodie May, Wireline Competition Bureau, (202) 418-0913; David Krech, Policy Division, International Bureau, (202) 418-7443; Karl Kensinger, Satellite Division, International Bureau, (202) 418-0773; or Kathy Harris, Wireless Telecommunications Bureau, (202) 418-0609.

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