



PUBLIC NOTICE

Federal Communications Commission
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DA 15-758
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**APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF
TELEGUAM HOLDINGS, LLC TO
TELEKOMUNIKASI INDONESIA INTERNATIONAL (USA) INC. AND
REQUEST FOR DECLARATORY RULING ON FOREIGN OWNERSHIP**

PLEADING CYCLE ESTABLISHED

WC Docket No. 15-148

Comments/Petitions to Deny Due: July 27, 2015

Reply Comments/Oppositions to Petitions to Deny Due: August 11, 2015

TeleGuam Holdings, LLC (TeleGuam), AP TeleGuam Holdings, Inc. (AP TG), and Telekomunikasi Indonesia International (USA) Inc. (Telkom USA) (collectively, Applicants) filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act),¹ seeking approval to transfer control of TeleGuam from AP TG to Telkom USA.² The Applicants also filed a petition for declaratory ruling (Petition) to permit TeleGuam to exceed the 25 percent benchmark for foreign ownership in section 310(b)(4) of the Act.³

TeleGuam, a Delaware limited liability company, is a wholly-owned subsidiary of AP TG, a Delaware holding company. TeleGuam is the incumbent local exchange carrier (LEC) and also provides long distance (domestic and international), video, Internet access, and wireless services in Guam. AP TG is currently owned in majority part by three private investment funds: AP Cayman Partners II, L.P. (a Cayman Islands entity, 24.73 percent), Advantage Partners IV, ILP (a Japan entity, 42.08 percent), and Japan Ireland Investment Partners, LTD (an Ireland entity, 25.52 percent).

¹ 47 U.S.C. §§ 214, 310(d).

² Joint Application of TeleGuam Holdings, LLC, Licensee, AP TeleGuam Holdings, Inc., Transferor, and Telekomunikasi Indonesia International (USA) Inc., Transferee, for Grant of Authority to Complete a Transfer of Control of the Licensee Pursuant to Section 214 of the Communications Act of 1934, as Amended, and Sections 63.04 and 63.24 of the Commission's Rules, WC Docket No. 15-148 (filed June 12, 2015) (Application). Applicants filed a supplement to their applications on June 23, 2015. Letter from Edward A. Yorkgitis, Jr., Counsel to Telkom USA, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 15-148, IB File No. ITC-T/C-20150612-00146 (filed June 23, 2015). Applicants also filed applications for transfer of control associated with licenses and spectrum leasing authorizations in the wireless services. *See infra* p. 3.

³ 47 U.S.C. § 310(b)(4).

Telkom USA, a Delaware corporation, is a wholly-owned subsidiary of PT Telekomunikasi Indonesia International Inc. (Telin), an Indonesia entity. Telin is wholly owned by PT Telekomunikasi Indonesia Tbk (PT Telkom Indonesia), an Indonesia entity. The Government of the Republic of Indonesia holds a 52.56 percent direct interest in PT Telkom Indonesia. Applicants state that the remaining 47.44 percent ownership of PT Telkom Indonesia is widely held and that no other entity or individual holds more than five percent of the company. PT Telkom Indonesia provides wireline, wireless, and other communications services in Indonesia. Applicants further state that subsidiaries of PT Telkom Indonesia provide telecommunications, broadband, and information services in multiple countries outside of the U.S., including Malaysia, Hong Kong, Macau, Saudi Arabia, Timor Leste, Australia, New Zealand, Taiwan, and Myanmar, and that PT Telkom Indonesia subsidiaries, Telin and Telkom USA, are members of a consortium that plans to build a submarine cable system linking Indonesia, the Philippines, Guam, Hawaii, and Los Angeles.

Pursuant to the terms of the proposed transaction, Telkom USA will acquire all of the ownership interests in AP TG, including indirect ownership of TeleGuam.

Applicants state that the proposed transaction is in the public interest. They assert that Telkom USA has the financial, managerial, operational, and technical qualifications to become the new owner of TeleGuam and that TeleGuam and the Telkom companies will be positioned to collaborate in developing and introducing new services to customers and expanding existing network facilities.⁴ They state that Telkom USA and its affiliates do not currently operate in Guam and that there will be no competitive harm as a result of the proposed transaction.⁵ They further state that Telkom USA will maintain and improve the quality of service in Guam and that it will continue to operate pursuant to existing service arrangements, thereby making the transaction transparent to customers.⁶

SECTION 214 AUTHORIZATIONS

A. International

The application for consent to the transfer of control of certain international section 214 authorizations from AP TG to Telkom USA have been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20150612-00146	TeleGuam Holdings, LLC	ITC-214-20041117-00453 ITC-214-20060202-00082

B. Domestic

The Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction.

⁴ Application at 7-8.

⁵ *Id.* at 8.

⁶ *Id.*

SECTION 310(d) APPLICATIONS

The applications for consent to the transfer of control of licenses and spectrum leasing authorizations under section 310(d) have been assigned the file numbers listed below.

<u>File Number</u>	<u>Licensee/Lessee</u>	<u>Lead Call Sign</u>
0006830192	TeleGuam Holdings, LLC	KNKQ317
0006830194	TeleGuam Holdings, LLC	L000013674

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

TeleGuam, AP TG, Telkom USA, and PT Telkom Indonesia (collectively, Petitioners) request a declaratory ruling, pursuant to section 310(b)(4) of the Act and section 1.990(a)(1) of the Commission's rules,⁷ to permit foreign ownership of TeleGuam, a common carrier wireless licensee and spectrum lessee, in excess of the 25 percent benchmark in section 310(b)(4). Specifically, the Petition requests approval for the following foreign entities (collectively, the proposed Foreign Owners) to hold, directly or indirectly, equity and/or voting interests of five percent or more in Telkom USA upon consummation of the proposed transfer of control of TeleGuam from AP TG to Telkom USA: Telin (direct 100 percent equity/voting); PT Telkom Indonesia (indirect 100 percent equity/voting); and the Republic of Indonesia (indirect 52.56 percent equity/voting).

The Petitioners assert that the proposed foreign ownership of TeleGuam poses no risk to competition, and that the Foreign Owners' proposed indirect interest in TeleGuam would substantially benefit Guam and U.S. consumers and serve the public interest generally by providing beneficial financial resources and enhancing TeleGuam's competitive capabilities.

The Petitioners state that they would not object to the Commission making approval of the proposed transaction contingent upon their compliance with the existing 2011 Security Agreement between AP TG and TeleGuam, on the one hand, and the U.S. Department of Justice, U.S. Department of Defense, and U.S. Department of Homeland Security, on the other, or a modified Security Agreement that may be negotiated in the context of this proceeding.

The Petition for Declaratory Ruling has been assigned File No. ISP-PDR-20150612-00005.

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. Although the Applicants request streamlined processing of certain of the applications under various sections of the Commission's rules,⁸ in light of the multiple applications and petition that are pending before the Commission with respect to this transaction and the public interest review associated with them, the applications are not subject to streamlined processing. Interested parties may file comments **on or before July 27, 2015**, and reply comments **on or before August 11, 2015**.

⁷ 47 C.F.R. § 1.990(a)(1).

⁸ 47 C.F.R. §§ 63.03, 63.12.

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 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://apps.fcc.gov/ecfs/>.
- 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 12th 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 12th 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 or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty).

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

- 1) Jim Bird, Office of General Counsel, TransactionTeam@fcc.gov;
- 2) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@fcc.gov;
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov;
- 4) Kathy Harris, Mobility Division, Wireless Telecommunications Bureau, kathy.harris@fcc.gov.

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.⁹ 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 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

⁹ 47 C.F.R. §§ 1.1200 *et seq.*

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.

To allow the Commission to consider fully all substantive issues regarding the Applications in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.¹⁰ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

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

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¹⁰ See 47 C.F.R. §1.45(c).