



PUBLIC NOTICE

Federal Communications Commission
45 L St., N.E.
Washington, D.C. 20554

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Internet: <http://www.fcc.gov>

DA 21-1473
November 24, 2021

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE
TRANSFER OF CONTROL OF
IPC NETWORK SERVICES, INC.
FROM CCP II FINCO, LLC TO HUMMINGBIRD CIRCLE, LLC**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 21-436

Comments Due: December 8, 2021

Reply Comment Due: December 15, 2021

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application filed by CCP II Finco, LLC (CCP II Finco), Hummingbird Circle, LLC (Hummingbird Circle), Strategic Value Partners, LLC (SVP), and IPC Corp. (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent to transfer control of IPC Network Services, Inc. (IPC Network Services) from CCP II Finco to Hummingbird Circle.¹

IPC Network Services, a New York corporation, is a subsidiary of IPC Corp., a Delaware corporation (IPC Network Service, its affiliate, IPC Systems, together with IPC Corp, IPC).² IPC Network Services is authorized to provide competitive telecommunications services in Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Illinois, Indiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Montana, New Hampshire, North Carolina, New Jersey, New Mexico, Nevada, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, and Wisconsin.³

IPC Parent Holdings, LLC (IPC LLC), a Delaware limited liability company, is currently the indirect parent of IPC Corp. CCP II Finco, a Delaware limited liability company that is ultimately controlled by Jeffrey Aronson, a U.S. citizen, and is affiliated with Centerbridge Partners, L.P., an investment management firm,⁴ currently holds approximately 53% of the voting and

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Joint Application for Consent to Transfer Control of IPC Systems, Inc., and IPC Network Services, Inc., Pursuant to Section 214 of the Communications Act of 1934, As Amended, WC Docket No. 21-436 (filed Nov. 5, 2021) (Application). Applicants also filed an application for the transfer of control of IPC Systems, Inc. (IPC Systems) and its authorizations associated with international services. See ITC-T/C-20211105-00179. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² Application at 2.

³ Application at 20. IPC Systems holds international section 214 authority, and Applicants state that together with their parent company, IPC Corp., IPC Systems and IPC Network Services primarily provide 'specialized technology solutions and maintenance to financial institutions and global enterprises: as a component of these services, certain resold point-to-point private line or IP-based point-to-point connectivity is provided.' *Id.* at 4.

economic interest in IPC LLC and indirect control of IPC Network Services.⁵ Applicants state that CCP II Finco does not provide telecommunications services.⁶

Hummingbird Circle, a Delaware limited liability company, has been established as a special purpose acquisition vehicle for purposes of the proposed transaction.⁷ Applicants state that, at closing, Hummingbird Circle will be controlled by certain funds and accounts managed by SVP, an investment entity.⁸ Victor Khosla, a U.S. citizen, will hold a controlling aggregate 60% indirect voting and equity interest in IPC Network Services thru various intermediate U.S., Cayman Islands, and Netherlands holding companies.⁹ According to Applicants, neither Hummingbird Circle, the funds owning Hummingbird Circle, SVP, or SVP's portfolio of companies provide telecommunications services.¹⁰

Pursuant to the terms of the proposed transaction, CCP II Finco and Hummingbird Circle are parties to a two-step restructuring agreement.¹¹ In the first step, Applicants state that they completed a *pro forma* transaction on October 1, 2021, under which they refinanced IPC's first lien debt, injected \$125 million of new capital into IPC, and converted IPC's existing second lien debt into reorganized equity and a new convertible note (Note).¹² As a result, CCP II Finco currently holds approximately 53% of the equity and voting rights of IPC LLC, and Hummingbird Circle holds the remaining approximate 47% and the Note.¹³ In the second step, which Applicants are pursuing through the Application, Hummingbird Circle seeks to convert the Note into equity, which, when combined with the equity Hummingbird Circle currently holds, will result in Hummingbird Circle holding a 60% interest in IPC LLC, which will in turn provide it with indirect control of IPC Network Services.¹⁴ CCP II Finco will hold the remaining 40% interest in IPC LLC.¹⁵

⁴ *Id.* at 4.

⁵ *Id.*

⁶ *Id.* at 5. CCP II Finco is affiliated with Ligado Networks, LLC and its subsidiaries that provide mobile satellite services (MSS) and other services to customers throughout the United States. *Id.* at 20.

⁷ *Id.* at 5.

⁸ *Id.*

⁹ *Id.* at 10-16, Exhibit B (Applicants' Post-Closing Disclosable Interest Holder Ownership Structure). Millbrook Holdings V-A LLC, a Delaware entity, will hold a 14% voting interest and equity interest in IPC Network Services. Applicants state that no other entity ultimately controls a 10% or greater interest in Hummingbird Circle. *Id.*

¹⁰ *Id.*

¹¹ *Id.* at 2-3.

¹² *Id.*

¹³ *Id.* at 3.

¹⁴ *Id.* at 2-3, 6.

¹⁵ *Id.* at 5-6.

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity.¹⁶ Applicants state that the proposed transaction will not result in a loss of a competitive provider and will not adversely affect customers because “customers will continue to receive the same services under the same rates, terms, and conditions – and under the same IPC brand name as existed prior to the proposed transaction’s close.”¹⁷ Applicants further state that the transaction will: (1) “inject much needed capital, which is necessary to ensure the continued operations of IPC and the uninterrupted provision of service” to IPC Network Services’ existing customers; (2) “further reduce IPC’s outstanding debt obligations”; (3) create a “more financially sound company that has increased flexibility and a more competitive position”; and (4) expand services to more customers.¹⁸

In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, we accept the Application for non-streamlined processing.¹⁹

Referral to Executive Branch Agencies. Through this Public Notice, pursuant to Commission practice, the Application and the associated international application, ITC-T/C-20211105-00179, are being referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign ownership of the Applicants.²⁰

Domestic Section 214 Application Filed for the Transfer of Control of
IPC Network Services, Inc. from CCP II Finco, LLC to Hummingbird Circle, LLC,
WC Docket No. 21-436 (filed Nov 5, 2021).

GENERAL INFORMATION

The application identified herein has 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 December 8, 2021**, and reply comments **on or before December 15, 2021**. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper.

¹⁶ *Id.* at 7.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ 47 CFR § 63.03.

²⁰ 47 CFR § 1.40001. *See Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927 (2020), Erratum (Appendix B — Final Rules), DA 20-1404 (OMD/IB rel. Nov. 27, 2020). *See also Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket Nos. 97-142 and 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-19, paras. 61-63 (1997) (*Foreign Participation Order*), recon. denied, 15 FCC Rcd 18158 (2000).

- Electronic Filers: Comments may be filed electronically by accessing ECFS at <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 commercial overnight courier or by first-class or overnight U.S. Postal Service mail.²¹ All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 3) David Krech, Telecommunications and Analysis Division, International Bureau, daivd.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@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. 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 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

²¹ Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. See *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (OS 2020).

ex parte presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 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 application 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.²² 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 Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.

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²² See 47 CFR § 1.45(c).