



PUBLIC NOTICE

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APPLICATIONS GRANTED FOR THE TRANSFER OF CONTROL OF SUBSIDIARIES OF ONVOY HOLDINGS INC. TO SINCH US HOLDING INC.

WC Docket No. 21-131

By this Public Notice, the Wireline Competition Bureau, International Bureau, and Wireless Telecommunications Bureau (collectively, Bureaus) grant, as conditioned, applications filed by GTCR Onvoy Holdings, LLC (GTCR Holdings), Sinch US Holding Inc. (Sinch US), and Onvoy, LLC (Onvoy), Minnesota Independent Equal Access Corporation (MIEAC), Voyant Communications, LLC (Voyant), Broadvox-CLEC, LLC (Broadvox), ANPI, LLC (ANPI), ANPI Business, LLC (ANPI Business), Inteliquent, Inc., and Layered Communications, LLC (Layered) (Layered, together with Onvoy, MIEAC, Voyant, Broadvox, ANPI, ANPI Business, and Inteliquent, Inc., Authority Holders) and Onvoy Spectrum, LLC (Onvoy Spectrum and Authority Holders, collectively Inteliquent; GTCR Holdings, Sinch US, and Inteliquent, collectively Applicants), pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act),¹ and sections 1.948, 63.03-04, 63.18, and 63.24 of the Commission's rules,² to transfer control of Authority Holders and Onvoy Spectrum from GTCR Holdings to Sinch US.³

¹ 47 U.S.C. §§ 214, 310(d).

² 47 CFR §§ 1.948, 63.03-04, 63.18, 63.24.

³ See Consolidated Application for Consent to Transfer Control of Section 214 Authority Holders, WC Docket No. 21-131 (filed Apr. 1, 2021) (Lead Application). The Commission licenses and authorizations subject to the applications are listed in Attachment A to this Public Notice and include domestic and international section 214 authorizations and wireless licenses (Lead Application, together with applications listed in Attachment A, Applications). On April 14, 2021, April 23, 2021, September 15, 2021, October 22, 2021, and October 28, 2021, Applicants filed supplements to the Applications. Letter from John T. Nakahata, Counsel for Sinch US, and Ronald W. Del Sesto, Jr., Counsel for GTCR Holdings, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-131, IB File Nos. ITC-T/C-20210401-00059, ITC-T/C-20210401-00060, ITC-T/C-20210401-00061, ITC-T/C-20210401-00062; ITC-T/C-20210401-00063; ITC-T/C-20210401-00064 (filed Apr. 14, 2021) (First Supplement Letter) (providing additional information on Sinch US); Letter from John T. Nakahata, Counsel for Sinch US, and Ronald W. Del Sesto, Jr., Counsel for GTCR Holdings, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-131, IB File Nos. ITC-T/C-20210401-00059, ITC-T/C-20210401-00060, ITC-T/C-20210401-00061, ITC-T/C-20210401-00062; ITC-T/C-20210401-00063; ITC-T/C-20210401-00064 (filed Apr. 23, 2021) (Second Supplement Letter) (clarifying that Voyant Communications, LLC is organized in Colorado rather than Delaware); Letter from John T. Nakahata, Counsel for Sinch US, and Ronald W. Del Sesto, Jr., Counsel for GTCR Holdings, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-131, IB File Nos. ITC-T/C-20210401-00059, ITC-T/C-20210401-00060, ITC-T/C-20210401-00061, ITC-T/C-20210401-00062; ITC-T/C-20210401-00063; ITC-T/C-20210401-00064 (filed Sept. 15, 2021) (Third Supplement Letter) (adding SoftBank Group Corp. and Capital Group Companies, Inc. as 10% or greater interest holders in Sinch US); Letter from John T. Nakahata, Counsel for Sinch US, and Ronald W. Del Sesto, Jr., Counsel for GTCR Holdings, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-131, IB File Nos. ITC-T/C-20210401-00059, ITC-T/C-20210401-00060, ITC-T/C-20210401-00061, ITC-T/C-20210401-00062; ITC-T/C-20210401-00063; ITC-T/C-20210401-00064 (filed Oct. 22, 2021) (Fourth Supplement Letter); Letter from John T. Nakahata, Counsel for Sinch US, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-131, IB File

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The International Bureau also grants, as conditioned, the petition for declaratory ruling (Petition) that Sinch US and Onvoy Spectrum (together, Petitioners) filed seeking approval for foreign investment above the 25% benchmarks in section 310(b)(4) of the Act and section 1.5000(a)(1) of the Commission's rules.⁴

On May 14, 2021, the Bureaus released a public notice seeking comment on the Applications.⁵ The Bureaus received comments in opposition to the Applications from a single party, CarrierX, LLC (CarrierX).⁶ As discussed more fully below, we are not convinced by CarrierX of the public harms it asserts will result from the proposed transaction and deny its claims as not relevant to the transaction.

On October 20, 2021, the National Telecommunications and Information Administration (NTIA), on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee), submitted a Petition to Adopt Conditions to Authorizations and Licenses (Committee Petition).⁷ In order to address concerns related to national security, law enforcement, foreign policy, or trade policy, we impose a transaction-related condition on the grant of the Applications. Specifically, we grant the Committee Petition and condition grant of the Applications on compliance by the Applicants with the commitments and undertakings set out in the Letter of Agreement filed with the Committee Petition.

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Nos. ITC-T/C-20210401-00059, ITC-T/C-20210401-00060, ITC-T/C-20210401-00061, ITC-T/C-20210401-00062; ITC-T/C-20210401-00063; ITC-T/C-20210401-00064 (filed Oct. 28, 2021) (Fifth Supplement Letter). Any action on these section 214 applications is without prejudice to Commission action on other related, pending applications.

⁴ 47 U.S.C. § 310(b)(4); 47 CFR § 1.5000(a)(1); Onvoy Spectrum, LLC and Sinch US Holdings Inc. Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as amended, IBFS File No. ISP-PDR-20210401-00006 (filed Apr. 1, 2021) (Petition). In the First Supplemental Letter, Petitioners filed a supplement, amending the Petition to designate Onvoy, LLC as the controlling U.S.-organized parent of the Licensee and updating Exhibit A and Exhibit D of the Petition. On May 7, 2021, September 15, 2021, October 22, 2021, and October 28, 2021, Petitioners filed additional supplements with the International Bureau. *See* Letter from John T. Nakahata, Counsel for Sinch US Holding Inc., and Ronald W. Del Sesto, Jr., Counsel for GTCR Holdings, to Marlene H. Dortch, FCC, IBFS File No. ISP-PDR-20210401-00006 (filed May 7, 2021) (May 2021 Supplement) (updating foreign ownership charts and Exhibit A and Exhibit D of the Petition); Letter from John T. Nakahata, Counsel for Sinch US Holding Inc., and Ronald W. Del Sesto, Jr., Counsel for GTCR Holdings, to Marlene H. Dortch, FCC, IBFS File No. ISP-PDR-20210401-00006 (filed Sept. 15, 2021) (Sept. 2021 Supplement) (updating the list of 10% or greater interest holders and attaching two certifications); Letter from John T. Nakahata, Counsel for Sinch US Holding Inc., and Ronald W. Del Sesto, Jr., Counsel for GTCR Holdings, to Marlene H. Dortch, FCC, IBFS File No. ISP-PDR-20210401-00006 (filed Oct. 22, 2021) (Oct. 22, 2021 Supplement) (stating that approval for Swedbank Robur's 6.2% indirect voting interest in Sinch AB (publ) (Sinch) is not required, clarifying that Onvoy Spectrum is the only entity that holds a license subject to Section 310(d), and attaching a revised list of 10% or greater interest holders); Letter from John T. Nakahata, Counsel for Sinch US Holding Inc., to Marlene H. Dortch, FCC, IBFS File No. ISP-PDR-20210401-00006 (filed Oct. 28, 2021) (Oct. 28, 2021 Supplement) (updating the list of 10% or greater interest holders, requests for specific approval).

⁵ *See Applications Filed for the Transfer of Control of Onvoy Holdings, Inc. to Sinch US Holdings, Inc.*, WC Docket No 21-131, Public Notice, 36 FCC Rcd 8497 (WCB/IB/WTB 2021) (*Public Notice*).

⁶ CarrierX, LLC Comments, WC Docket No. 21-131 (filed Jun. 14, 2021) (CarrierX First Comment); *see also* Letter from Christopher Libertelli, General Counsel for CarrierX, LLC, to Marlene Dortch, Secretary, FCC, WC Docket No. 21-131 (Jul. 17, 2021) (on file in WC Docket No. 21-131) (July 17, 2021 Ex Parte of CarrierX); CarrierX, LLC, Comments, WC Docket No. 21-131) (filed. Sept. 2, 2021) (CarrierX Sept. 2 Filing).

⁷ Petition to Adopt Conditions to Authorizations and Licenses, WC Docket No. 21-131; IB File Nos. ITC-T/C-20210401-00059, ITC-T/C-20210401-00060, ITC-T/C-20210401-00061, ITC-T/C-20210401-00062; ITC-T/C-20210401-00063; ITC-T/C-20210401-00064; ISP-PDR-20210401-0006 (filed Oct. 20, 2021) (Committee Petition).

Applicants and Services Provided

GTCR Holdings, a Delaware limited liability company, is an investment vehicle created to aggregate the ownership of various investment funds managed by GTCR LLC, a U.S.-based entity.⁸ GTCR Holdings owns 100% of Onvoy Holdings Inc. (Onvoy Holdings), a Delaware entity that in turn owns 100% of Authority Holders.⁹ Authority Holders are all U.S.-based entities that operate a carrier network providing competitive wholesale services in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.¹⁰ Specifically, Onvoy provides wholesale local exchange carrier (LEC) and long distance services in all 50 states except Alaska; MIEAC provides centralized equal access services in Minnesota and North Dakota; Voyant provides telecommunications services in Colorado, Idaho, Indiana, Michigan, Minnesota, Ohio, Tennessee, and Washington; Broadvox provides telecommunications services on a wholesale basis to Onvoy; ANPI provides wholesale interexchange services throughout the United States and is authorized as a competitive LEC in several states; ANPI Business provides wholesale interexchange services throughout the United States and is authorized as a competitive LEC in several states; Inteliquent, Inc. provides competitive LEC, wholesale competitive access, interexchange, and other services in the District of Columbia and Puerto Rico, and in every state except Alaska; and Layered provides telecommunications services primarily to other providers in California and New York.¹¹

Sinch US, a Delaware corporation, is a wholly-owned direct subsidiary of Sinch Holding AB (Sinch Holding), a Swedish corporation, which is in turn a wholly-owned direct subsidiary of Sinch AB (publ) (Sinch), a publicly-traded Swedish communications company.¹² According to Applicants, the following entities hold a 10% or greater interest in Sinch: Neqst D2 AB, a Swedish investment firm (14.8% equity and voting);¹³ Capital Group Research Management Co. (Capital Group), a Delaware entity (12.7% equity and voting);¹⁴ SB Northstar LP (SB Northstar), a Cayman entity (10.8% equity and voting), and Masayoshi Son, a citizen of Japan (10.8% voting).¹⁵ The remaining 54.2% equity and voting interests in Sinch are collectively held by public shareholders with respective ownership interests under 10% in Sinch.¹⁶ Applicants state that Sinch does not control and is not affiliated with any U.S. telecommunications providers.¹⁷

⁸ Lead Application at 3.

⁹ *Id.*

¹⁰ *Id.* at 2.

¹¹ *Id.* at 3-5; First Supplement Letter at 1.

¹² Lead Application at 5.

¹³ *Id.*; Third Supplement Letter at Updated Attach. 3 (Post-Transaction Authority Holders' 10-Percent-or-Greater Interest Holders) at 2. Neqst D2 AB is indirectly owned by Jonas Frederiksson and Erik Fröberg, both Swedish citizens, through several intervening Swedish entities. Lead Application at 5 and Third Supplement Letter at Updated Attach. 3 at 5-6.

¹⁴ Third Supplement Letter at Attach. 2 (Pre- and Post-Closing Ownership Charts) at 6, and Updated Attach 3 at 6-7. Capital Group is wholly owned by Capital Group Companies, Inc., a Delaware corporation, which through other funds will hold an additional 0.7% of Sinch, therefore holding a total interest of 13.4% in Sinch. Third Supplement Letter Updated Attach. 3 at 6-7.

¹⁵ Third Supplement Letter Updated Attach. 3 at 6-7. SoftBank Group Corp. (SoftBank Group), a Japanese entity, indirectly holds two-thirds of the equity interest in SB Northstar through its two-thirds membership interest in each of three Delaware limited liability companies (collectively the Project Delaware LLCs). *Id.* at Attach. 2. SoftBank Group indirectly controls SB Northstar through its 100% ownership of SB Northstar LP's general partner, SB Management Ltd. 2. Masayoshi Son, a Japanese citizen, indirectly holds two-thirds of the equity interest in SB Northstar through his ownership of one-third of the membership interests in each of the Project Delaware LLCs, which together hold 100% of the equity interest in SB Northstar. *Id.* at Attach 2.

¹⁶ Third Supplement Letter at Attach. 2.

Pursuant to the terms of the Stock Purchase Agreement dated February 16, 2021, Sinch US will purchase all of the outstanding shares of Onvoy Holdings, as a result of which Authority Holders will no longer be indirectly owned and controlled by GTCR Holdings.¹⁸ The Authority Holders will continue to be 100% indirectly owned and controlled by Onvoy Holdings, which will in turn be indirectly owned and controlled by Sinch.¹⁹

Discussion

A. Standard of Review and Public Interest Framework

Pursuant to section 214(a) and 310(d) of the Act,²⁰ and Commission precedent, we must determine whether the proposed transfer of control of the Authority Holders to Sinch US will serve the public interest, convenience, and necessity.²¹ In making this determination, we first assess whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission's rules.²² If the proposed transaction does not violate a statute or rule, we then consider whether the transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.²³ We then employ a balancing test weighing any potential public interest harms of the proposed transaction against any potential public interest benefits.²⁴ The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.²⁵

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¹⁷ Lead Application at 9; First Supplement Letter at 1.

¹⁸ Lead Application at 6.

¹⁹ *Id.*

²⁰ 47 U.S.C. § 214(a).

²¹ See, e.g., *Application of Verizon Communications Inc. and América Móvil S.A.B. de C.V. for Consent to Transfer Control of International Section 214 Authorization*, GN Docket No. 21-112; IBFS File No. ITC-T/C-20200930-00173, Memorandum Opinion and Order, FCC 21-121, at para. 21 (rel. Nov. 22, 2021) (*Verizon-TracFone Order*) (citing *China Mobile International (USA) Inc., Application for Global Facilities-Based and Global Resale International Telecommunications Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended*, Memorandum Opinion and Order, 34 FCC Rcd 3361, 3366, para. 9 (2019); *Applications for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Communications Corporation (and subsidiaries, debtors-in-possession), Assignors, to Time Warner Cable Inc. (subsidiaries), Assignees; Adelphia Communications Corporation, (and subsidiaries, debtors-in-possession), Assignors and Transferors et al.*, MB Docket No. 05-192, Memorandum Opinion and Order, 21 FCC Rcd 8203, 8219-21, paras. 27-28 (2006) (*Adelphia-TWC Order*)).

²² See *Verizon-TracFone Order* at para. 21 (citing *Applications of T-Mobile US, Inc., and Sprint Corporation, Consent to Transfer Control of Licenses and Authorizations, Applications of American H Block Wireless L.L.C., DBSD Corporation, Gamma Acquisitions L.L.C., and Manifest Wireless L.L.C. for Extension of Time*, WT Docket No. 18-197, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10595, para. 39 (2019) (*T-Mobile-Sprint Order*); *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent To Transfer Control of Licenses and Authorizations*, WC Docket No. 16-403, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9585, para. 8 (2017) (*CenturyLink-Level 3 Order*); *Applications of Cricket License Company, LLC, et al., Leap Wireless International, Inc., and AT&T Inc. for Consent to Transfer Control of Authorizations, et al.*, WT Docket No. 13-193, Memorandum Opinion and Order, 29 FCC Rcd 2735, 2741-42, para. 13 (WTB/IB 2014) (*AT&T-Leap Order*)).

²³ See *Verizon-TracFone Order* at para. 21 (citing *T-Mobile-Sprint Order*, 34 FCC Rcd at 10595, para. 40; *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9585, para. 9; *AT&T-Leap Order*, 29 FCC Rcd at 2741-42, para. 13).

²⁴ See *Verizon-TracFone Order* at para. 21 (citing *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9140, para. 18 (2015) (*AT&T-DIRECTV Order*); *General Motors Corp. and Hughes Electronics Corp., Transferors, and the News Corporation, Transferee*, MB Docket No. 03-124, Memorandum Opinion and

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The Commission's public interest evaluation necessarily encompasses the "broad aims of the Communications Act,"²⁶ which include, among other things, a deeply rooted preference for preserving and enhancing competition in relevant markets,²⁷ accelerating private sector deployment of advanced services,²⁸ promoting a diversity of information sources and services to the public,²⁹ and generally managing the spectrum in the public interest.³⁰ The public interest analysis also entails assessing whether the proposed transaction would affect the quality of communications services or result in the provision of new or additional services to consumers.³¹ In conducting this analysis, the Commission may consider technological and market changes, and the nature, complexity, and speed of change of, as well as trends within, the communications industry.³²

The Commission also employs a competitive analysis to determine if a proposed transaction is in the public interest that is informed by traditional antitrust principles³³ as well as other broader factors, including whether a transaction would enhance, rather than merely preserve, competition.³⁴

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Order, 19 FCC Rcd 473, 483, para. 15 (2004) (*News Corp.-Hughes Order*); *AT&T-Leap Order*, 29 FCC Rcd at 2741-42, para. 13)).

²⁵ See *Verizon-TracFone Order* at para. 21 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 18; *Adelphia-TWC Order*, 21 FCC Rcd at 8217, para. 23; *Application of EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp., Transferors, and EchoStar Communications Corp., Transferee*, CS Docket No. 01-348, Hearing Designation Order, 17 FCC Rcd 20559, 20574, para. 25 (2002) (*EchoStar-DIRECTV HDO*); *AT&T-Leap Order*, 29 FCC Rcd at 2741-42, para. 13).

²⁶ See *Verizon-TracFone Order* at para. 22 (citing *Western Union Division, Commercial Telegrapher's Union, A.F. of L. v. United States*, 87 F. Supp. 324, 335 (D.D.C. 1949), *aff'd*, 338 U.S. 864 (1949); see *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19; see also *FCC v. RCA Communications, Inc.*, 346 U.S. 86, 93-95 (1953)).

²⁷ See *Verizon-TracFone Order* at para. 22 (citing 47 U.S.C. §§ 521(6), 532(a); *Applications for Consent to the Transfer of Control of Licenses and Authorizations by Time Warner, Inc. and America Online, Inc. to AOL Time Warner Inc.*, Memorandum Opinion and Order, 16 FCC Rcd 6547, 6555-56, para. 22 (2001) (*AOL-Time Warner Order*)).

²⁸ See *Verizon-TracFone Order* at para. 22 (citing 47 U.S.C. §§ 254, 332(c)(7), 1302; Telecommunications Act of 1996, Preamble, Pub. L. No. 104-104, 110 Stat. 56 (1996) (one purpose of the Act is to "accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services"))).

²⁹ See *Verizon-TracFone Order* at para. 22 (citing 47 U.S.C. §§ 521(4), 532(a); *Turner Broad. Sys., Inc. v. FCC*, 512 U.S. 622, 663 (1994) ("[I]t has long been a tenet of national communications policy that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public.") (quoting *United States v. Midwest Video Corp.*, 406 U.S. 649, 668, n.27 (1972)) (internal quotation marks omitted)).

³⁰ See *Verizon-TracFone Order* at para. 22 (citing 47 U.S.C. §§ 301, 303, 307, 309, 310(d)).

³¹ See *Verizon-TracFone Order* at para. 22 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19; *Adelphia-TWC Order*, 21 FCC Rcd at 8218, para. 24; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20575, para. 26).

³² See *Verizon-TracFone Order* at para. 22 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19; *Application of Comcast Corp., General Electric Company and NBC Universal, Inc. For Consent to Assign Licenses and Transfer Control of Licenses*, MB Docket No. 10-56, Memorandum Opinion and Order, 26 FCC Rcd 4238, 4248, para. 23 (2011) (*Comcast-NBC Universal Order*); *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20575, para. 26).

³³ See *Verizon-TracFone Order* at para. 23 (citing *T-Mobile-Sprint Order*, 34 FCC Rcd at 10595-96, para. 40; *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9585-86, para. 9; *AT&T-Leap Order*, 29 FCC Rcd at 2742-43, para. 15; *Northeast Utils. Serv. Co. v. FERC*, 993 F.2d 937, 947 (1st Cir. 1993) (public interest standard does not require agencies "to analyze proposed mergers under the same standards that the Department of Justice . . . must apply"))).

³⁴ See *Verizon-TracFone Order* at para. 23 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 21; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20575-76, para. 27; *Verizon Commc'ns, Inc. v. Law Offices of Curtis V.*

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Finally, the Commission's public interest authority enables it, where appropriate, to impose and enforce transaction-related conditions to ensure that the public interest is served by the transaction,³⁵ including conditions to confirm specific benefits or remedy harms likely to arise from the transaction.³⁶

B. Potential Public Interest Harms

Applying the Commission's standard of review and public interest framework, we find that there is no evidence that the proposed transaction would violate any statutory provisions or Commission rules. We find that the proposed transaction will not result in a significant reduction of competition because Sinch does not control and is not affiliated with any U.S. telecommunications providers.³⁷ We further find that there are no potential public interest harms raised by CarrierX or identified elsewhere in the record. Absent any potential harms, and considering that the proposed transaction is likely to yield some benefits, we find, on balance, that the proposed transaction serves the public interest.

The Bureaus received comments from CarrierX asserting that the proposed transaction, which includes Sinch acquiring Inteliquent, Inc., will result in public interest harm. It requests that the Commission deny the proposed transaction or, in the alternative, condition a grant on Inteliquent, Inc. providing data related to "secret access stimulation activities," in which CarrierX asserts Inteliquent, Inc. engages in order to circumvent the Commission's rules.³⁸ The Commission has long held that it will not deny a transaction or impose conditions to remedy harms that are unrelated to the proposed transaction.³⁹

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_____ *Trinko, LLP*, 540 U.S. 398, 415 (2004) ("The 1996 Act is, in an important respect, much more ambitious than the antitrust laws. It attempts 'to eliminate the monopolies enjoyed by the inheritors of AT&T's local franchises.' Section 2 of the Sherman Act, by contrast, seeks merely to prevent *unlawful monopolization*. It would be a serious mistake to conflate the two goals.") (emphasis in original) (quoting *Verizon Commc'ns v. FCC*, 535 U.S. 467, 476 (2002) (internal citations omitted)).

³⁵ See *Verizon-TracFone Order* at para. 24 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 22; *Comcast-NBC Universal Order*, 26 FCC Rcd at 4249, para. 25; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20575, para. 27; see also *Application of WorldCom, Inc. and MCI Commc'ns Corp. for Transfer of Control of MCI Communications Corporation to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18025, 18032, para. 10 (1998) (*WorldCom-MCI Order*) (stating that the Commission may attach conditions to the transfers); *T-Mobile-Sprint Order*, 34 FCC Rcd at 10596, para. 42).

³⁶ See *Verizon-TracFone Order* at para. 24 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 22; *Adelphia-TWC Order*, 21 FCC Rcd at 8219, para. 26; see also *T-Mobile-Sprint Order*, 34 FCC Rcd at 10596, para. 42).

³⁷ Lead Application at 9; First Supplement Letter at 1. See *Applications Filed By Altice N.V. and Cablevision Systems Corporation to Transfer Control of Authorizations from Cablevision Systems Corporation to Altice N.V.*, WC Docket No. 15-257, Memorandum Opinion and order, 31 FCC Rcd 4365, 4371, paras. 15-16 (WCB/IB/MB/WTB (2016) (finding no harm related to horizontal or vertical effects on competition where Applicants did not provide similar services in the same product and geographic markets)).

³⁸ CarrierX Comments at 2, 6-12. Specifically, CarrierX states that the proposed transaction, if granted, should be conditioned on: i) denying the combined entity further waivers of the access stimulation rules; ii) conducting audits of the combined entity's numbering resources and traffic volumes; and iii) Inteliquent, Inc. providing the Commission with material information and the FCC's satisfactory review of this information. Carrier X Comments at 3; see also *id.* at 11-12 (providing a list of questions that CarrierX believes the Commission should ask Inteliquent, Inc. in this proceeding).

³⁹ See, e.g., *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9601, para. 42 (denying claims that arise from a pre-existing dispute that were not related to the transaction and would not be grounds for a condition on the parties); *Applications of AT&T Inc. and Centennial Communications Corp. For Consent to Transfer Control of Licenses, Authorizations, and Spectrum Leasing Arrangements*, WT Docket No. 08-246, Memorandum Opinion and Order, 24 FCC Rcd 13915, 13929, para. 30, 13974-75, para. 150 (2009) (stating that the Commission will not impose conditions in a merger proceeding to remedy pre-existing harms); *Verizon Communications, Inc. and America Móvil, S.A. de C.V., Application for Authority to Transfer Control of Telecomunicaciones de Puerto Rico*, WT Docket No. 07-43, Memorandum Opinion and Order and Declaratory Ruling, 22 FCC Rcd 6195, 6206-07, para. 25 (2007) (rejecting

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It will also not deny a transaction based on claims that are addressed in separate proceedings and are unrelated to the proposed transaction.⁴⁰ As explained below, we deny CarrierX's arguments, which are not related to Sinch's acquisition of the Authority Holders and which the Wireline Competition Bureau has already addressed in a separate proceeding in which CarrierX was a party.

CarrierX asserts that the Wireline Competition Bureau improperly granted Inteliquent, Inc., a competitive LEC serving large enterprise customers, a temporary waiver of part of the Commission's "access stimulation" definition in section 61.3(bbb)(1)(ii) of the Commission's rules.⁴¹ Inteliquent, Inc.'s waiver request was based on changes that the COVID-19 pandemic caused to its business with respect to the company's preexisting customers that provide conference calling services.⁴² The Wireline Competition Bureau reviewed actual and projected data from Inteliquent, Inc. and determined that its traffic to affected end offices in a calendar month exceeds the 6:1 ratio that would make Inteliquent, Inc. an "access stimulating" competitive LEC under the rules the Commission adopted in the 2019 *Access Arbitrage Order*.⁴³ Absent a waiver, Inteliquent, Inc. would be required to accept the financial

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assertions that a transfer of control should be denied or conditioned based on non-merger-specific issues and finding that applicants were subject to existing requirements).

⁴⁰ See, e.g., *T-Mobile-Sprint Order*, 34 FCC Rcd at 10600, para. 52 (finding that issues raised by Free Conferencing were not related to the transaction and better addressed in alternative proceedings); *Applications filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a CenturyLink for Consent to Transfer Control*, WC Docket No. 10-110, Memorandum Opinion and Order, 26 FCC Rcd 4194, 4201, para. 18 and n.62 (2011) (finding that rate issues related to special access, inter carrier compensation, and pole attachments are better addressed in rulemakings of general applicability or are not specific to the transaction); *Applications of Nextel Partners and Nextel WIP Corp and Sprint Nextel Corporation for Consent to Transfer Control of Licenses and Authorizations*, File Nos. 0002444650 0002444656 0002456809, 21 FCC Rcd 7358, 7364, para. 15 (2006).

⁴¹ 47 CFR § 61.3(bbb)(1)(ii). On March 27, 2020, the Bureau granted the waiver in the *Inteliquent Waiver Order* and has granted Inteliquent, Inc.'s request to renew the temporary waiver five times during the course of the continuing COVID-19 pandemic. *Petition of Onvoy d/b/a Inteliquent, Inc. for Temporary Waiver of Section 61.3(bbb)(1)(ii) of the Commission's Rules*, WC Docket No. 18-155, Order, 35 FCC Rcd 2934 (WCB 2020) (*Inteliquent Waiver Order*); *Petition of Onvoy d/b/a Inteliquent, Inc. for Temporary Waiver of Section 61.3(bbb)(1)(ii) of the Commission's Rules*, WC Docket No. 18-155, Order, 35 FCC Rcd 6444 (WCB 2020) (*Inteliquent Waiver Renewal Order*); *Petition of Onvoy d/b/a Inteliquent, Inc. for Temporary Waiver of Section 61.3(bbb)(1)(ii) of the Commission's Rules*, Order, WC Docket No. 18-155, 35 FCC Rcd 10385 (WCB 2020) (*Inteliquent Second Waiver Renewal Order*); *Petition of Onvoy d/b/a Inteliquent, Inc. for Temporary Waiver of Section 61.3(bbb)(1)(ii) of the Commission's Rules*, WC Docket No. 18-155, Order, 35 FCC Rcd 14570 (WCB 2020) (*Inteliquent Third Waiver Renewal Order*); *Petition of Onvoy d/b/a Inteliquent, Inc. for Temporary Waiver of Section 61.3(bbb)(1)(ii) of the Commission's Rules*, WC Docket No. 18-155, Order, 36 FCC Rcd 5705 (WCB 2021) (*Inteliquent Fourth Waiver Renewal Order*); *Petition of Onvoy d/b/a Inteliquent, Inc. for Temporary Waiver of Section 61.3(bbb)(1)(ii) of the Commission's Rules*, WC Docket No. 18-155, Order, DA 21-1224 (WCB Sept. 30, 2021) (*Inteliquent Fifth Waiver Renewal Order*). In 2019, the Commission adopted the *Access Arbitrage Order* to reduce the use of the intercarrier compensation system to implicitly subsidize services through revenues generated by access stimulation. Among other actions, the Commission modified the definition of "access stimulation" in section 61.3(bbb)(1)(ii) of the Commission's rules, stating that a competitive LEC is deemed to be engaged in access stimulation if it "has an interstate terminating-to-originating traffic ratio of at least 6:1 in an end office in a calendar month." *Updating the Intercarrier Compensation Regime to Eliminate Access Arbitrage*, WC Docket No. 18-155, Report and Order and Modification of Section 214 Authorizations, 34 FCC Rcd 9035 (2019) (*Access Arbitrage Order*), *pets. for review denied sub nom. Great Lakes Commc'ns Corp. et al. v. FCC*, 3 F.4th 470 (D.C. Cir. 2021). In the *Access Arbitrage Order*, the Commission contemplated the possible need for waivers when "a LEC, not engaged in arbitration, finds that its traffic will exceed a prescribed terminating-to-originating traffic ratio." *Access Arbitrage Order*, 34 FCC Rcd at 9058-59, para. 53.

⁴² *Inteliquent Waiver Order*, 35 FCC Rcd at 2934, para. 2.

⁴³ *Id.* at 2937, para. 11.

responsibilities that apply to access-stimulating competitive LECs.⁴⁴ As part of its review of the temporary waiver, the Wireline Competition Bureau considered and rejected assertions by CarrierX that Inteliquent, Inc. was improperly engaging in access stimulating activities and also rejected CarrierX's request to extend the temporary waiver to all conference calling traffic carried by it and other providers.⁴⁵

CarrierX asserts that Inteliquent, Inc. lacked candor and did not disclose all relevant information in its waiver request regarding what CarrierX claims were Inteliquent, Inc.'s past and current access stimulation activities.⁴⁶ It further asserts that the proposed transaction will harm competition for carriers serving high volume calling applications because Sinch "may expand Inteliquent's practice of obscuring large volumes of access stimulation traffic" and "increase Inteliquent's relationships with high volume applications."⁴⁷ It states that this will exploit the benefits of the temporary waiver and maintains that the proposed transaction should "not be allowed to go forward with the combined entity as the beneficiary of a waiver of the FCC's access stimulation rules."⁴⁸

We agree with Applicants that CarrierX has raised arguments that the Wireline Competition Bureau already addressed in the *Inteliquent Waiver Order*.⁴⁹ We specifically reject CarrierX's assertion that the Wireline Competition Bureau failed to consider whether Inteliquent, Inc. provided accurate information in the waiver proceedings, and that its alleged lack of candor speculatively calls into question whether the post-merger entity will comply with its regulatory obligations.⁵⁰ In its petition for the initial waiver and each subsequent renewal, Inteliquent, Inc. provided actual and projected terminating-to-originating traffic ratios for the relevant LATAs.⁵¹ The Wireline Competition Bureau, based on data and certifications provided by Inteliquent, Inc., granted the request for waiver and subsequent renewals and, most recently, found that "no additional data or explanations are necessary . . . [t]he Bureau previously relied on similar information when considering Inteliquent's prior waiver requests, and we are satisfied by the fact that Inteliquent's Chief Information Officer has certified to the accuracy of Inteliquent's data and factual explanations."⁵² Applicants have confirmed on the record in this transaction proceeding that it

⁴⁴ *Id.* at 2938-39, paras. 14-15.

⁴⁵ *Id.* at 2939, para. 9 and n.22, para. 16 and n.42 (citing CarrierX, LLC's Limited Opposition to Inteliquent, Inc.'s Petition for Waiver of Section 61.3(bbb)(1)(ii) of the Commission's Rules, WC Docket No. 18-155, at 1 (filed Mar. 20, 2020) and stating that CarrierX does business as FreeConference Call.com).

⁴⁶ CarrierX Comments at 6-12.

⁴⁷ *Id.* at 3, 13-14.

⁴⁸ *Id.* at 12-13. CarrierX asserts that the *Inteliquent Waiver Order* and subsequent renewals are relevant to this transaction because of the public harm that will occur from "the combined company's access stimulation business" and that "[o]ver time, the combination of Inteliquent and Sinch and the Waiver Order will add to public interest harms associated with the combined entity." CarrierX Comments at 2; July 16, 2021 Ex Parte of CarrierX at 2.

⁴⁹ Reply Comments of Onvoy Holdings Inc. and Sinch US Holdings, Inc., WC Docket No. 21-131 at 1, 6 (filed Jun. 29, 2021) (Reply Comments of Onvoy/Sinch) ("CarrierX's comments attempt to make a collateral attack on a waiver order granted by the Wireline Competition Bureau after full consideration of the facts in a separate and unrelated proceeding."); *see also* Letter from John T. Nakahata, Counsel for Sinch US Holding Inc., and Ronald W. Del Sesto, Jr., Counsel for GTCR Onvoy Holdings, LLC, to Marlene Dortch, Secretary, FCC, WC Docket No. 21-131 (Sept. 10, 2021) (on file in WC Docket No. 21-131) (Applicants' Sept. 10 *Ex Parte* Letter). Applicants state that CarrierX is also involved in a commercial dispute with Inteliquent, Inc. which is the subject of ongoing court litigation. Reply Comments of Onvoy/Sinch at 5.

⁵⁰ CarrierX Comments at 6-10.

⁵¹ *See e.g.*, Request of Onvoy, LLC d/b/a Inteliquent for Renewal of Temporary Waiver of Section 61.3(bbb)(1)(ii) of the Commission's Rules, WC Docket No. 18-155 at Exhs. A, B (filed Aug. 19, 2021) (Fifth Renewal Request).

⁵² *Inteliquent Fifth Waiver Renewal Order* at 7. The Wireline Competition Bureau also required, as further protection against potential abuse, a letter to be filed if Inteliquent, Inc. no longer requires a waiver of rule 61.3(bbb)(1)(ii) at any time prior to December 1, 2021. *Id.*

was candid in the data it provided to the Wireline Competition Bureau,⁵³ and we deny CarrierX's assertions on these points.

We are also not persuaded by CarrierX that Sinch's acquisition of Inteliquent, Inc. will improperly allow Inteliquent, Inc. to engage in access stimulation activities while the temporary waiver is in effect. The Wireline Competition Bureau limited the temporary waiver and subsequent renewals to traffic originated and terminated by Inteliquent, Inc. for its "preexisting customers"—those entities that were Inteliquent, Inc. customers when Inteliquent, Inc. filed its Petition on March 17, 2020, and stated that the waiver would not cover traffic volumes generated by any entity that became an Inteliquent, Inc. customer after March 17, 2020.⁵⁴ In addition, Sinch does not control and is not affiliated with any U.S. telecommunications providers, and has no additional customers to which Inteliquent, Inc. would terminate traffic post-merger. We are therefore not persuaded by CarrierX that the temporary waiver would allow the post-merger company to engage in access stimulation activities, and find no risk that the proposed transaction would lead to abuse of the circumstances associated with the temporary waiver.

We are not convinced that a public interest harm will result from the proposed transaction or lead to improper access stimulation activities by Inteliquent, Inc., and we reject CarrierX's request that we deny or condition the grant of the proposed transaction on this basis.

C. Potential Public Interest Benefits

After assessing the potential competitive harms of the proposed transaction, we next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits.⁵⁵ Applicants must provide evidence of a claimed benefit to allow the Commission to verify its likelihood and magnitude.⁵⁶ Where potential harms appear unlikely, as is the case with the Applications before us here, the Commission accepts a lesser degree of magnitude and likelihood than when harms are present.⁵⁷

Applicants have asserted several claimed benefits, including that Sinch's financial resources and industry experience as a global provider of communications-platform-as-a-service (CPaaS) will allow the Authority Holders to expand their service offerings to "better serve enterprise, cloud- and mobile-communications customers."⁵⁸ They further claim that Sinch's access to global capital markets will provide financial support for the Authority Holders' continued growth.⁵⁹

The Commission has specified that ensuring consumers receive new or additional services is an

⁵³ Reply Comments of Onvoy/Sinch at 6-8. Applicants state that all interested parties had access to the Inteliquent traffic data under the terms of a protective order in the waiver proceeding. *Id.* at 7.

⁵⁴ *Inteliquent Waiver Order*, 35 FCC Rcd at 2937, para. 11. CarrierX asserts in a subsequent filing in the transaction docket that Inteliquent, Inc.'s pre-existing customers are adding their own new customers, which allows Inteliquent, Inc. to further profit from terminating traffic to them. CarrierX Sept. 2 Filing at 2-3. As explained herein, the Wireline Competition Bureau has already determined the customers that the temporary waiver covers. We also agree with the Applicants that CarrierX's Sept. 2 Filing, which it submitted as a second comment filing after the comment due date of June 14, 2021, is untimely. Applicants' Sept. 10 *Ex Parte* Letter at 1. Because CarrierX's Sept. 2 Filing constituted untimely filed comments, we will consider it to be an informal submission in our consideration of the proposed transaction. See *Comcast Cable Communications on Behalf of its Subsidiaries and Affiliates Petition for Special Relief (Determination of Effective Competition) in Four Communities in California*, 23 FCC Rcd 8546, 8548, para. 8 (MB 2008).

⁵⁵ See *AT&T/DIRECTV Order*, 30 FCC Rcd at 9237, para. 273-274.

⁵⁶ See *id.* at 9237-38, paras. 275-76.

⁵⁷ See *id.*

⁵⁸ Lead Application at 8.

⁵⁹ *Id.*; Reply Comments of Onvoy/Sinch at 2.

important public interest factor.⁶⁰ We find it likely that the proposed transaction could result in increased resources to allow Authority Holders to expand service offerings and better compete against large incumbent U.S. service providers.⁶¹

National Security, Law Enforcement, Foreign Policy, and Trade Policy Concerns

When analyzing a transfer of control or assignment application that includes foreign investment, we also consider public interest issues related to national security, law enforcement, foreign policy, or trade policy concerns.⁶² As part of our public interest analysis, the Commission coordinates with the relevant Executive Branch agencies that have expertise in these particular issues.⁶³ The Commission accords deference to the expertise of these Executive Branch agencies in identifying issues related to national security, law enforcement, foreign policy, or trade policy concerns raised by the agencies.⁶⁴ The Commission, however, ultimately makes an independent decision on the application based on the record in the proceedings.⁶⁵

Pursuant to Commission practice, the transfer of domestic section 214 authority and the associated international applications, IB File Nos. ITC-T/C-20210401-00059, ITC-T/C-20210401-00060, ITC-T/C-20210401-00061, ITC-T/C-20210401-00062; ITC-T/C-20210401-00063; ITC-T/C-20210401-00064, the Applications were referred to the relevant Executive Branch agencies for their reviews on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign

⁶⁰ See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19.

⁶¹ See, e.g., *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9594, 9605, paras. 26 and 52 (finding that the transaction “will result in a more effective and stronger competitor against larger cable and incumbent LEC competitors”). The proposed transfer will not reduce competition and may result in additional resources that will allow the Authority Holders to invest in their networks and services and to scale their platforms and ultimately improve connectivity and services. See *id.* at 9605, para. 53 (finding that a larger, better capitalized combined company is more likely to expand or improve fiber network).

⁶² 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) (setting rules and procedures for referring applications for Executive Branch review consistent with Executive Order No. 13913) (*Executive Branch Review Order*); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-21, paras. 59-66 (1997) (*Foreign Participation Order*), *recon. denied*, 15 FCC Rcd 18158 (2000) (in opening the U.S. telecommunications market to foreign entry in 1997, the Commission affirmed that it would consider national security, law enforcement, foreign policy, and trade policy concerns related to reportable foreign ownership as part of its overall public interest review of application for international section 214 authority, submarine cable landing licenses, and declaratory rulings to exceed the foreign ownership benchmarks of section 310(b) of the Act). See also *T-Mobile/Sprint Order*, 34 FCC Rcd at 10732-33, para. 349.

⁶³ See *Executive Branch Review Order*, 35 FCC Rcd at 10935-36, paras. 17, 24.

⁶⁴ *Id.* at 10930, para. 7 (citing *Foreign Participation Order*, 12 FCC Rcd at 23920-21, paras. 65-66; *Amendment of the Commission’s Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Satellite Service in the United States; Amendment of Section 25.131 of the Commission’s Rules and Regulations to Eliminate the Licensing Requirement for Certain International Receive-Only Earth Stations*, IB Docket No. 96-111, CC Docket No 93-23, RM-7931, Report and Order, 12 FCC Rcd 24094, 24171-72, paras. 179, 182 (1997)). See also *T-Mobile/Sprint Order*, 34 FCC Rcd at 10733, paras. 349; *Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Report and Order, 31 FCC Rcd 11271, 11277, para. 6 (2016), *Pet. for recon. dismissed*, 32 FCC Rcd 4780 (2017).

⁶⁵ 47 CFR § 1.40001(b) (“The Commission will consider any recommendations from the [E]xecutive [B]ranch on pending application(s) . . . that may affect national security, law enforcement, foreign policy, and/or trade policy as part of its public interest analysis. The Commission will evaluate concerns raised by the [E]xecutive [B]ranch and will make an independent decision concerning the pending matter.”).

ownership of the Applicants.⁶⁶ On May 20, 2021, the Committee notified the Commission that it was reviewing the Applications for any national security and law enforcement concerns that may be raised by foreign participation in the United States telecommunications services sector and requested that the Commission defer action on the Application.⁶⁷ We deferred action on the Applications in response to this request from the Committee. On June 30, 2021, the Committee notified the Commission that the Applicants had provided complete responses to initial questions posed by the Committee and that the Committee was conducting an initial review to assess whether granting the Applications would pose a risk to the national security or law enforcement interests of the United States.⁶⁸

In its petition to adopt conditions, the Committee advises the Commission that it has no objection to the Commission granting the Applications “provided that the Commission conditions its approval on the assurance of the Authority Holders and Onvoy Spectrum ([collectively] d/b/a Inteliquent) to abide by the commitments and undertakings set forth in the September 27, 2021, Letter of Assurance and Letter of Agreement (LOA)” attached to the Committee Petition.⁶⁹

In accordance with the request of the Committee, and in the absence of any objection from the Applicants, we grant the Committee Petition, and, accordingly, we condition grant of the transfer of domestic section 214 authority on compliance by the Applicants with the commitments and undertakings set out in the LOA that apply to the Applications.⁷⁰ A failure to comply with and/or remain in compliance with any of the provisions of the LOA shall constitute a failure to meet a condition of this grant, the underlying authorizations, and the declaratory ruling and thus grounds for declaring the underlying authorizations, licenses, and declaratory ruling terminated without further action on the part of the Commission. Failure to meet a condition of this grant and the authorizations may also result in monetary sanctions or other enforcement action by the Commission.

Petition for Declaratory Ruling Under Section 310(b)(4)

Section 310(b)(4) of the Act establishes 25% benchmarks for investment by foreign individuals, governments, and corporations in the U.S.-organized entities that directly or indirectly control U.S. common carrier wireless licensees.⁷¹ This section of the Act also grants the Commission discretion to allow higher levels of foreign ownership in a licensee’s controlling U.S.-organized parent unless the Commission finds that the public interest would be served by refusing to permit such foreign ownership.⁷²

⁶⁶ *Public Notice*, 36 FCC Rcd at 8500.

⁶⁷ Letter from Lee Licata, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-131, ITC-T/C-20210401-00059, ITC-T/C-20210401-00060, ITC-T/C-20210401-00061, ITC-T/C-20210401-00062, ITC-T/C-20210401-00063, ITC-T/C20210401-00064, ISP-PDR-20210401-00006 at 1 and Attach. 1 (May 2021 Notification from Chair) (filed May 20, 2021) (on file in WC Docket No. 21-131).

⁶⁸ Letter from Lee Licata, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-131, ITC-T/C-20210401-00059, ITC-T/C-20210401-00060, ITC-T/C-20210401-00061, ITC-T/C-20210401-00062, ITC-T/C-20210401-00063, ITC-T/C20210401-00064, ISP-PDR-20210401-00006 at 1 and Attach. 1 (June 2021 Notification from Chair) (filed June 30, 2021) (on file in WC Docket No. 21-131).

⁶⁹ Committee Petition at 2.

⁷⁰ *T-Mobile/Sprint Order*, 34 FCC Rcd at 10732-33, para. 349; *Foreign Participation Order*, 12 FCC Rcd at 23918-21, paras. 59-66.

⁷¹ 47 U.S.C. § 310(b)(4) (“No broadcast or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by . . . any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representatives thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license.”).

⁷² 47 U.S.C. § 310(b)(4).

The Commission's public interest analysis under section 310(b)(4) also considers national security, law enforcement, foreign policy, or trade issues that may be raised by the foreign ownership.⁷³

As noted above, the Petitioners, Sinch US and Onvoy Spectrum, have filed a petition for declaratory ruling pursuant to section 310(b)(4) of the Act and section 1.5000(a)(1) of the Commission's rules,⁷⁴ to permit post-closing foreign ownership of Onvoy, the controlling U.S. parent of Onvoy Spectrum, a common carrier licensee, to exceed the 25% benchmarks specified in section 310(b)(4) of the Act.

According to the Petition, upon completion of the proposed transaction, Onvoy would have aggregate indirect foreign equity and voting interests of 100%.⁷⁵ Pursuant to section 1.5001(i) of the rules, Petitioners request that the Commission specifically approve the direct and/or indirect foreign equity and/or voting interests that would be held in the controlling U.S. parent, Onvoy, upon completion of the proposed transaction by foreign-organized entities and foreign individuals as follows:⁷⁶

Sinch Holdings AB (100% equity, 100% voting) (Sweden);
Sinch AB (publ) (100% equity, 100% voting) (Sweden);
Neqst D2 AB (14.8% equity, 14.8% voting) (Sweden);
Neqst D1 AB (7.6% equity, 14.8% voting) (Sweden);
Neqst 1 AB (6.3% equity, 14.8% voting) (Sweden);
Neqst 2017 AB (6.3% equity, 14.8% voting) (Sweden);
Neqst 2020 AB (6.3% equity, 14.8% voting) (Sweden);
Neqst Investment 2020 AB (3.6% equity, 14.8% voting) (Sweden);
Kersgården AB (1% equity, 14.8% voting) (Sweden);
Jonas Frederiksson (1% equity, 14.8% voting) (Sweden);
Sundaskären AB (2.5% equity, 14.8% voting) (Sweden);
Erik Fröberg (2.5% equity, 14.8% voting) (Sweden);
SB Northstar LP (10.8% equity, 10.8% voting) (Cayman Islands);
SB Management Ltd. (0% equity, 10.8% voting) (United Arab Emirates);
Softbank Group Corp. (7.1% equity, 10.8% voting) (Japan); and
Masayoshi Son (5.5% equity and 10.8% voting) (Japan).

Petitioners also request advance approval, pursuant to section 1.5001(k) of the Commission's rules, for each of the foregoing entities, except for Sinch Holding AB and Sinch AB (publ), and individuals to increase their indirect equity and/or voting interests in Onvoy up to a non-controlling 49.99%.⁷⁷

We received no comments regarding foreign ownership, and, as discussed above, NTIA, on behalf of the Committee, has advised the Commission that the Committee has no objection to the Commission granting the Applications "provided that the Commission conditions its approval on the assurance of the Authority Holders and Onvoy Spectrum (d/b/a Inteliquent) to abide by the commitments and undertakings set forth in the September 27, 2021, Letter of Assurance and Letter of Agreement (LOA)" attached to the Committee Petition.⁷⁸

⁷³ *T-Mobile/Sprint Order*, 34 FCC Rcd at 10736, para. 355; *Foreign Participation Order*, 12 FCC Rcd at 23918-21.

⁷⁴ 47 CFR § 1.5000(a)(1).

⁷⁵ Petition at Exh. C.

⁷⁶ Petition; Oct. 22 Supplement; Oct. 28 Supplement.

⁷⁷ *Id.*

⁷⁸ Committee Petition at 2.

Based on our review of the record, under section 310(b)(4) of the Act and the Commission's foreign ownership rules and policies, we find that the public interest would not be served by prohibiting foreign ownership of Onvoy, the controlling U.S. parent, in excess of the 25% benchmarks in section 310(b)(4) of the Act. We, therefore, grant the Petition subject to the conditions set out herein. This ruling authorizes 100% aggregate foreign ownership of Onvoy, as the controlling U.S. parent of the Licensees, subject to the terms and conditions set forth in section 1.5004 of the Commission's rules.⁷⁹

In addition, pursuant to section 1.5001(i) of the rules, we approve the foreign equity and voting interests that would be held in Onvoy by each of the above-listed foreign entities and individuals in the amounts specified above. We also approve the Petition's request for advance approval, pursuant to section 1.5001(k), permitting the above-listed foreign entities and individuals to increase their equity and voting interests in Onvoy up to the amounts specified above.

Finally, under this ruling, Applicants have an affirmative duty to monitor their foreign equity and voting interests, calculate their interests consistent with the principles enunciated by the Commission, including the standards and criteria set forth in sections 1.5002 through 1.5003 of the rules,⁸⁰ and otherwise ensure continuing compliance with the provisions of section 310(b) of the Act.⁸¹ Failure to comply and/or remain in compliance with a condition of this authorization shall constitute grounds for declaring it terminated without further action on the part of the Commission. Failure to meet a condition of this ruling may also result in monetary sanctions or other enforcement action by the Commission.

Grant of Applications and Petitions

After a review of the Applications and record in this proceeding, we find that there is no potential competitive or other public interest harm. In addition, we expect that the proposed transaction is likely to benefit the public interest, particularly with regard to the availability of resources to enable the Authority Holders to continue to serve existing customers as well as expand their service offerings. On balance, we find that this transaction, as conditioned, serves the public interest, as required under law. In addition, we find that the public interest would not be served by prohibiting the foreign ownership of Onvoy, LLC, the controlling U.S. parent, in excess of the 25% benchmarks in section 310(b)(4) of the Act. We grant the Applications and Petition subject to the conditions set out herein.

Therefore, pursuant to sections 4(i) and (j), 5(c), 214(a), 214(c), 303(r), 309, and 310(d) of the Act, 47 U.S.C. §§ 154(i) and (j), 155(c), 214(a), 214(c), 303(r), 309, 310(d), and sections 1.948, 1.5001-04, 1.40001-04, 63.04, and 63.24 of the Commission's rules, 47 C.F.R. §§ 1.948, 1.5001-04, 1.40001-04, 63.04, 63.24, and pursuant to the authority delegated under sections 0.51, 0.91, 0.131, 0.261, 0.291, and 0.331 of the Commission's rules, 47 CFR §§ 0.51, 0.91, 0.131, 0.261, 0.291, 0.331, we grant the Applications and Petition for Declaratory Ruling listed in Attachment A as conditioned in this Public Notice.

⁷⁹ 47 CFR § 1.5004. A few of the terms and conditions set forth in section 1.5004 of the Commission's rules are as follows: (1) where a previously unapproved foreign-organized entity is inserted into the vertical ownership chain of a licensee, or its controlling U.S.-organized parent, without prior Commission approval, the licensee shall file a letter to the attention of the Chief, International Bureau, within 30 days after the insertion of the new, foreign-organized entity; (2) a licensee that has received a foreign ownership ruling, including a U.S.-organized successor-in-interest to such licensee as part of a pro forma reorganization, or any subsidiary or affiliate relying on such licensee's ruling, shall file a new petition for declaratory ruling under section 1.5000 to obtain Commission approval before its foreign ownership exceeds the routine terms and conditions of this section, and/or any specific terms of conditions of its rulings; and (3) if at any time the licensee, including any successor-in interest and any subsidiary or affiliate knows, or has reason to know, that it is no longer in compliance with its foreign ownership rulings or the Commission's rules relating to foreign ownership, it shall file a statement with the Commission explaining the circumstances within 30 days of the date it knew, or had reason to know, that it was no longer in compliance.

⁸⁰ 47 CFR §§ 1.5002-1.5003

⁸¹ 47 CFR § 1.5004, note to paragraph (a).

Federal Communications Commission

Pursuant to sections 4(i)-(j), 214(a), 310(b) and (310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i)-(j), 214(a), 310(b), 310(d), and sections 1.948, 1.5001-04; 1.40001-04, 63.04, and 63.24 of the Commission's rules, 47 C.F.R. §§ 1.948, 1.5001-04, 1.40001-04, 63.04, 63.24, we grant the Committee Petition to Adopt Conditions to Authorizations and Licenses filed by the NTIA. Grant of the Applications and Petition for Declaratory Ruling is conditioned upon compliance, by the Authority Holders and Onvoy Spectrum (collectively doing business as "Inteliquent"), with the Letter of Agreement from Richard L. Monto, Inteliquent, to Chief, Foreign Investment Review Section (FIRS) and Deputy Chief, Compliance and Enforcement (FIRS), on behalf of the Assistant Attorney General for National Security, National Security Division, United States Department of Justice, dated September 27, 2021.

Any failure to comply and/or remain in compliance with any of the conditions set out in the Public Notice shall constitute a failure to meet a condition of the underlying authorizations and licenses, and declaratory ruling and thus grounds for declaring the authorizations and licenses terminated without any further action on the part of the Commission. Failure to meet a condition of the authorizations, licenses, or declaratory ruling may also result in monetary sanctions or other enforcement action by the Commission.

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the consent granted herein is effective upon the release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Gregory Kwan, Wireline Competition Bureau, (202) 418-1191; David Krech, International Bureau, (202) 418-7443; or Melissa Conway, Wireless Telecommunications Bureau, (202) 418-2887.

Attachment A

SECTION 214 AUTHORIZATIONS

A. International

The International Bureau grants the following Applications to transfer control of international section 214 authority:

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20210401-00059	Inteliquent, Inc	ITC-214-20100423-00180
ITC-T/C-20210401-00060	ANPI Business, LLC	ITC-214-20000717-00403
ITC-T/C-20210401-00061	ANPI, LLC	ITC-214-19960209-00017
ITC-T/C-20210401-00062	Broadvox-CLEC, LLC	ITC-214-20090529-00261
ITC-T/C-20210401-00063	Voyant Communications, LLC	ITC-214-20091016-00444
ITC-T/C-20210401-00064	Onvoy, LLC	ITC-214-19970722-00425 ⁸² ITC-214-19971205-00766

B. Domestic

The Wireline Competition Bureau grants the Applications to transfer control of domestic section 214 authority in connection with the proposed transaction – WC Docket No. 21-131.⁸³

SECTION 310(d) APPLICATION

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0009468917	Onvoy Spectrum, LLC	KNKR334

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

The International Bureau grants the Petition, File No. ISP-PDR-20210401-00006.

-FCC-

⁸² Layered Communications, LLC provides international service under the international section 214 held by Onvoy, LLC pursuant to 47 CFR § 63.21(h). See Lead Application at 14, n.26.

⁸³ 47 CFR § 63.03.