**DA 22-1320**

**Released: December 14, 2022**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF SKYBEAM, LLC AND ESSEX TELCOM, INC.**

**TO LSTAR EQUITY COMPANY HOLDINGS, L.P.**

**WC Docket No. 22-422**

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

**IB File No. ISP-PDR-20221208-00012**

**PLEADING CYCLE ESTABLISHED**

**Comments Due: December 28, 2022**

**Reply Comment Due: January 4, 2023**

By this Public Notice, the Wireline Competition Bureau (WCB) seeks comment from interested parties on an application filed by JAB Wireless, Inc. (JAB Wireless), Skybeam, LLC (Skybeam), and Essex Telcom, Inc. (Essex, together with Skybeam, the Domestic 214 Authorization Holders), and LStar Equity Company Holdings, L.P. (LStar Equity or Transferee) (LStar Equity, together with JAB Wireless and the Domestic 214 Authorization Holders, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended (the Act), and sections 63.03-04 of the Commission’s rules, requesting approval for the 2018 transfer of control that occurred when LStar Equity acquired a controlling interest in Skybeam and Essex (2018 Transaction).[[1]](#footnote-3) The Applicants consummated the 2018 Transaction without prior authorization from WCB.[[2]](#footnote-4)

The International Bureau also seeks comment on a petition for declaratory ruling filed by JAB Wireless and LStar Equity (together, Petitioners) to permit foreign ownership in the following wholly owned subsidiaries of JAB Wireless: Essex; Skybeam; Digis, LLC; LP Broadband, Inc.; AirCanopy Internet Services, Inc.; Rhino Communications, Inc.; and Skybeam Acquisition Corporation (collectively, Wireless Licensees) above the 25% benchmarks in section 310(b)(4) of the Act and section 1.5000(a)(1) of the Commission’s rules.[[3]](#footnote-5)

Domestic 214 Authorization Holders

JAB Wireless, a Colorado corporation, does not itself provide telecommunications services.[[4]](#footnote-6) Skybeam and Essex, both U.S. entities, are direct and indirect wholly owned subsidiaries of JAB Wireless and provide fixed wireless, fiber broadband, and digital voice services under the name, Rise Broadband, in Texas, Oklahoma, Missouri, Illinois, Indiana, Nebraska, Iowa, Kansas, Colorado, Wyoming, Idaho, Nevada, Utah, Minnesota, Wisconsin, and South Dakota.[[5]](#footnote-7) Skybeam received authorization for Rural Broadband Experiment (RBE) universal service funding support in several states in 2015 and 2016 and is designated as an Eligible Telecommunications Carrier (ETC) in Iowa, Kansas, Nebraska, and Texas.[[6]](#footnote-8) In Illinois, Skybeam assigned its RBE obligations to Essex in 2015, and Essex is designated as ETC in Illinois.[[7]](#footnote-9)

2018 Transaction

Pursuant to an agreement dated May 2, 2018 (the “2018 Transaction”),[[8]](#footnote-10) the Applicants agreed to a series of transactions whereby LStar Equity converted certain debit and/or non-voting preferred stock into preferred and/or common stock, resulting in LStar Equity holding an equity interest of 71.8% and a controlling 66.6% voting interest in JAB Wireless.[[9]](#footnote-11) Upon consummation of the 2018 Transaction, LStar Equity became the controlling parent of the Wireless Licensees (including Skybeam and Essex).[[10]](#footnote-12) As described below, the equity of LStar Equity is held by various private equity funds formed in Delaware and Bermuda. Through a number of intermediate entities, John P. Grayken, an Irish citizen, controls LStar Equity.[[11]](#footnote-13)

Following completion of the 2018 Transaction, three entities have limited partnership interests in LStar Equity, a Delaware limited partnership: LSF VIII International 2, L.P. (Fund VIII International), a Delaware limited partnership (58%); Lone Star Fund VIII (U.S.), L.P. (Fund VIII US), a Delaware limited partnership (40%); and, LSF VIII Investments, L.P., a Bermuda limited partnership and employee co-investment vehicle (1.98%).[[12]](#footnote-14) The general partner of LStar Equity is LStar Management LLC (LStar Management), a Delaware limited liability company (0% equity).[[13]](#footnote-15)

PSPIB-RE Finance Partners II Inc. (PSPIB), a Canadian entity, holds a 16% limited partner interest in Fund VIII International. The Public Sector Pension Investment Board, a Canadian entity, holds a 100% equity voting interest in PSPIB. According to the Applicants, no other individual or entity holds a 10% or greater limited partnership interest in Fund VIII International. The Applicants also state that no individual or entity holds a 10% of greater limited partner interest in Fund VIII US.

Ownership and control of LStar Management is split equally between Fund VIII US and Lone Star Fund IX (U.S.), L.P. (Fund IX US), a Delaware limited partnership, with each having a 50% membership interest in LStar Management.[[14]](#footnote-16)

Two entities have a 10% or greater limited partnership interests in Fund IX US: the Teacher Retirement System of Texas (10.09%) and the State of Oregon Public Employees Retirement Fund (10.09%).[[15]](#footnote-17) The general partner of Fund IX US is Lone Star Partners IX, L.P. (Partners IX), a Bermuda entity.[[16]](#footnote-18) The general partner of Partners IX is Lone Star Management Co. IX, Ltd, a Bermuda entity.[[17]](#footnote-19)

Lone Star Partners VIII, L.P. (Partners VIII), a Bermuda entity, is the general partner of both Fund VIII International and Fund VIII US.[[18]](#footnote-20) Lone Star Management Co. VIII, Ltd., a Bermuda entity, is the general partner of Partners VIII.[[19]](#footnote-21) John P. Grayken, a citizen of Ireland, controls LStar Equity and owns 100% of the voting shares of Lone Star Management Co. VIII, Ltd. and Lone Star Management Co. IX, Ltd.[[20]](#footnote-22)

The Lone Star Kintyre Trust Bermuda (Kintyre Trust), a Bermuda entity, holds 41% equity and voting interests in Partners VIII and 38% equity and voting interests in Partners IX.[[21]](#footnote-23) The beneficiaries of the Kintyre Trust are charities and Mr. Grayken’s children and remoter issue. According to the Applicants, it is not possible to ascribe any specific interest in the Kintyre Trust to any beneficiary.[[22]](#footnote-24) The trustee of the Kintyre Trust is Conyers Trust Company (Bermuda) Limited. which is ultimately owned for the benefit of the directors, partners, and shareholders of Conyers, Dill & Pearman, all Bermuda entities.[[23]](#footnote-25)

The Kintyre Trust holds its interests in Partners VIII and Partners IX through its wholly owned subsidiaries, Jura US Limited (Jura US) and Jura Limited Bermuda (Jura Bermuda), and their subsidiaries the Jura GP Companies, all Bermuda entities. [[24]](#footnote-26) Jura US has direct 24% and indirect 7% equity and voting interests in Partners VIII and 18% and 7% indirect equity and voting interests in Partners IX.[[25]](#footnote-27) Jura Bermuda has direct 3% and indirect 7% equity and voting interests in Partners VIII and 6% and 7% indirect equity and voting interests in Partners IX[[26]](#footnote-28). Jura GP Holdings I Ltd. has a 6% equity and voting interests in both Partners VIII and Partners IX.[[27]](#footnote-29) Jura GP Holdings II Ltd. has 4% equity and voting interests in both Partners VIII and Partners IX.[[28]](#footnote-30) Jura GP Holdings III Ltd. has 2% equity and voting interests in both Partners VIII and Partners IX.[[29]](#footnote-31) Jura GP Holdings IV Ltd. has 2% equity and voting interests in both Partners VIII and Partners IX.[[30]](#footnote-32)

In addition, Samuel D Loughlin, a U.S. citizen, and the Samuel D. Loughlin 2014 Generation-Skipping Trust (Loughlin Trust), a Texas entity, hold equity and voting interests in Partners VIII and Partners IX.[[31]](#footnote-33) Mr. Loughlin holds 7% equity and voting interests in Partners VIII and 6% equity and voting interests in Partners IX.[[32]](#footnote-34) The Loughlin Trust holds 7% equity and voting interests in Partners VIII and 10% equity and voting interests in Partners IX.[[33]](#footnote-35) Mr. Loughlin established the Loughlin Trust as a generation skipping vehicle for the benefit of his grandchildren, but does not have any grandchildren at this time.[[34]](#footnote-36) The Goldman Sachs Trust Company of Delaware, a U.S. entity, is the trustee of the Loughlin Trust.[[35]](#footnote-37)

The Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity and that the 2018 Transaction has not impacted the Licensees’ ability to meet RBE service, performance, and reporting obligations.[[36]](#footnote-38)

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

On December 8, 2022, JAB Wireless and LStar Equity (Petitioners) filed a remedial Petition pursuant to section 310(b)(4) of the Act and sections 1.5000(a)(1) and 1.5004(f) of the Commission’s rules, asking the Commission to find that it would serve the public interest to permit foreign ownership of JAB Wireless, the direct controlling U.S. parent of the Wireless Licensees, above the 25% benchmarks in section 310(b)(4) of the Act. Also on December 8, 2022, the Petitioners filed a supplement amending a request in the Petition with respect to insulation, identifying additional disclosable interest holders and specific approval entities, updating the estimate for aggregate foreign ownership, and updating the post-transaction ownership chart. The Petitioners filed this remedial Petition to report the foreign ownership that occurred as result of the consummation of the 2018 Transactions.

The Wireless Licensees hold: (1) common carrier fixed point to-point microwave, private Microwave Industrial/Business Pool, Industrial/Business Pool (Conventional), Millimeter Wave 70-80-90 GHz, and 3650-3700 MHz (NN) radio services; (2) *de facto* (long term) 2.5 GHz spectrum leases; and (3) 6 GHz experimental licenses (Call Signs WL2XNE, WM2XJP and WM2XHL) (held by Skybeam). The Wireless Licensees collectively provide fixed wireless broadband services under the trade name “Rise Broadband” in Texas, Oklahoma, Missouri, Illinois, Indiana, Nebraska, Iowa, Kansas, Colorado, Wyoming, Idaho, Nevada, Oregon, Utah, Minnesota, Wisconsin, and South Dakota.[[37]](#footnote-39) Rise Broadband offers high-speed internet and interconnected VoIP voice services via fixed wireless technology and fiber.[[38]](#footnote-40)

The controlling U.S. parent of the Wireless Licensees, JAB Wireless, is a Colorado corporation.[[39]](#footnote-41) The Transferee, LStar Equity, is a Delaware limited partnership, and is ultimately controlled by a citizen of Ireland, and at least 50% of its equity is indirectly held by foreign entities or individuals.[[40]](#footnote-42) As described above, the equity of LStar Equity is held by various private equity funds formed in Delaware and Bermuda.[[41]](#footnote-43)

The Petitioners state that, as a result of the 2018 Transactions, LStar Equity held a 71.8% equity interest and a 66.6% voting interest in JAB Wireless, the controlling U.S. parent of the Wireless Licensees.[[42]](#footnote-44) According to the Petition, the remaining 28.2% equity interest and 33.3% voting interest in Jab Wireless is held by other investors, each holding less than 10% interest in Jab Wireless.[[43]](#footnote-45) Petitioners contend that the limited partnership interests in LStar Equity are fully insulated in accordance with section 1.5003 of the Commission’s rules.[[44]](#footnote-46)

Following completion of the 2018 Transaction, LStar Equity, is owned or controlled by Fund VIII International (58% equity and voting) (Delaware), Fund VIII US (40% equity and voting) (Delaware), and LSF VIII Investments, L.P. (1.98% equity and voting) (Bermuda).[[45]](#footnote-47) LStar Management (Delaware), as the sole general partner of LStar Equity, holds 0% equity and 100% voting interest.[[46]](#footnote-48) LStar Management is owned and controlled equally by Fund VIII US (50% equity and voting) and Fund IX US (50% equity and voting) (Delaware).[[47]](#footnote-49) Partners VIII is the sole general partner of Fund VIII International and Fund VIII US with 0.7% equity and 100% voting interests into JAB Wireless.[[48]](#footnote-50)

PSPIB-RE Finance Partners II Inc. (PSPIB), a Canadian entity, holds a 16% limited partner interest in Fund VIII International.[[49]](#footnote-51) The Public Sector Pension Investment Board, a Canadian entity, holds a 100% equity voting interest in PSPIB.[[50]](#footnote-52) According to Petitioners, no other foreign limited partner holds a direct or indirect voting or equity interest of greater than 5% into JAB Wireless that is not exempt from specific approval requirements.[[51]](#footnote-53) The Applicants also state that, assuming the limited partnership interests are insulated, no foreign limited partner of Fund VIII US holds a direct or indirect voting or equity interest of greater than 5% into JAB Wireless that is not exempt from specific approval requirements.[[52]](#footnote-54)

Lone Star Management Co. VIII, Ltd. (Bermuda) is the sole general partner of Partners VIII (less than 0.1% equity, 100% voting).[[53]](#footnote-55) Partners IX (Bermuda) is the sole general partner of Fund IX US (less than 0.1% equity, 100% voting).[[54]](#footnote-56)

Lone Star Management Co. IX, Ltd. (Bermuda) is the sole general partner of Partners IX (less than 0.1% equity, 100% voting).[[55]](#footnote-57) John P. Grayken (Ireland) is the ultimate parent of LStar Equity and holds 100% equity and 100% voting interest as sole owner of Lone Star Management Co. VIII, Ltd. and Lone Star Management Co. IX, Ltd. and a less than 0.1% equity and 100% voting interest into JAB Wireless.[[56]](#footnote-58)

The Kintyre Trust, a Bermuda entity, holds 41% equity and voting interests in Partners VIII and 38% equity and voting interests in Partners IX.[[57]](#footnote-59) The beneficiaries of the Kintyre Trust are charities and Mr. Grayken’s children and remoter issue.[[58]](#footnote-60) According to Petitioners, it is not possible to ascribe any specific interest in the Kintyre Trust to any beneficiary.[[59]](#footnote-61) The trustee of the Kintyre Trust is Conyers Trust Company (Bermuda) Limited, which is ultimately owned for the benefit of the directors, partners and shareholders of Conyers, Dill & Pearman, all Bermuda entities.[[60]](#footnote-62)

The Kintyre Trust holds its interests in Partners VIII and Partners IX through its wholly owned subsidiaries Jura US and Jura Bermuda, and their subsidiaries the Jura GP Companies, all Bermuda entities.[[61]](#footnote-63) Jura US holds less than 0.1% equity and 31% voting interests in JAB Wireless.[[62]](#footnote-64) Jura Bermuda holds less than 0.1% equity and 13% voting interests into JAB Wireless.[[63]](#footnote-65) Jura GP Holdings I Ltd. holds less than 0.1% equity and 41% voting interests into JAB Wireless.[[64]](#footnote-66)

Petitioners contend that the limited partners of five entities should be considered insulated pursuant to section 1.5003 of the Commission’s rules.[[65]](#footnote-67) The five entities are: (1) Fund VIII US, (2) Fund VIII International, (3) Fund IX US, (4) Partners VIII, and (5) Partners IX. Petitioners further assert that such limited partners hold less than 10% equity or voting interest in LStar Equity.[[66]](#footnote-68) According to the Petition, the Limited Partnership Agreement for Fund VIII US prohibits limited partners from taking part in the management or operation of the business and from exercising any control of the business.[[67]](#footnote-69) Petitioners state that “[the Limited Partnership Agreement] does, however, include a single provision that allows removal of the general partner without cause by a 70% vote of the limited partners.”[[68]](#footnote-70) Petitioners make similar arguments with respect to Fund VIII International, Fund IX US, Partners VIII, and Partners IX.[[69]](#footnote-71)

Pursuant to section 1.5001(h) of the rules,[[70]](#footnote-72) the Petitioners request approval of up to an aggregate 100% indirect foreign ownership of the controlling U.S. parent, JAB Wireless.[[71]](#footnote-73) Pursuant to section 1.5001(i) of the Commission’s rules,[[72]](#footnote-74) Petitioners request specific approval of the following individual and entities:[[73]](#footnote-75)

John P. Grayken (less than 0.1% equity, 100% voting) (Ireland);

Lone Star Kintyre Trust (less than 0.1% equity, 41% voting) (Bermuda);

Jura US Limited (less than 0.1% equity, 31% voting) (Bermuda);

Jura Limited Bermuda (less than 0.1% equity, 13% voting) (Bermuda);

Jura GP Holdings I Ltd. (less than 0.1% equity, 6% voting) (Bermuda);

Conyers Trust Company (Bermuda) Limited (less than 0.1% equity, 41% voting) (Bermuda);

Conyers, Dill & Pearman (less than 0.1% equity, 41% voting) (Bermuda);

Lone Star Partners VIII, L.P. (0.3%% equity, 100% voting) (Bermuda);

Lone Star Management Co VIII, Ltd. (less than 0.1% equity, 100% voting) (Bermuda);

Lone Star Partners IX, L.P. (0% equity, 100% voting) (Bermuda);

Lone Star Management Co. IX, Ltd (less than 0.1% equity, 100% voting) (Bermuda);

PSPIB-RE Finance Partners II Inc. (6.7% equity, 16% voting) (Canada); and

Public Sector Pension Investment Board (6.7% equity, 16% voting) (Canada).[[74]](#footnote-76)

Because the Application and the Petition related to the 2022 Transaction are currently pending, the Petitioners do not seek advance approval pursuant to section 1.5001(k) of the Commission’s rules for any of the foreign interests related to the 2018 Transaction.[[75]](#footnote-77) The Petitioners assert that the public interest would be served by granting the Petition.[[76]](#footnote-78)

Non-streamlined Processing. In light of the multiple applications pending before the Commission with respect to this transaction and because the proposed transaction would involve the exchange and assumption of Universal Service Fund high-cost mechanism obligations, in order to sufficiently analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.[[77]](#footnote-79)

Executive Branch Review. Under our rules and procedures, the Commission will generally refer petitions for section 310(b) foreign ownership rulings for common carrier wireless applicants and licensees and all the associated applications to the 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/Petitioners.[[78]](#footnote-80) The Applicants assert that we should not refer the Application and Petition to the Executive Branch agencies.[[79]](#footnote-81) The Applicants argue that, as described in the *2022 Transaction Public Notice*, LStar Equity seeks to sell its entire ownership stake in JAB Wireless to GI Di Iris Acquisition Inc., thereby making it unnecessary for the Executive Branch agencies to extend the resources to review the 2018 Transaction.[[80]](#footnote-82)

We will exercise our discretion and not formally refer the Application and Petition to the Agencies. As the Applicants state, the foreign ownership at issue in the 2018 Transaction will be removed by the 2022 Transaction. We find it would not be an efficient use of resources for the Executive Branch agencies or the Commission to refer the Application and Petition in these circumstances. Although we are not formally referring this Application and Petition, per standard practice, we will provide a courtesy copy of this public notice to the Executive Branch agencies.[[81]](#footnote-83) We also retain authority to pursue enforcement action by the Commission for non-compliance with the Act or the Commission’s rules.

**GENERAL INFORMATION**

The Application and Petition identified 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 December 28, 2022**, and reply comments **on or before January 4, 2023**. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper.

* 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.[[82]](#footnote-84) 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](mailto: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. Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, [gregory.kwan@fcc.gov](mailto:gregory.kwan@fcc.gov);
2. Fara Mohsenikolour, Telecommunications & Analysis Division, International Bureau; [Fara.Mohsenikolour@fcc.gov](mailto:Fara.Mohsenikolour@fcc.gov); and
3. Jim Bird, Office of General Counsel, [jim.bird@fcc.gov](mailto: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 *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 and Petition 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.[[83]](#footnote-85) 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 Gregory Kwan, Wireline Competition Bureau, (202) 418-1191 or Fara Mohsenikolour, International Bureau, 202-418-1429.

**- FCC –**

1. *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Joint Application of JAB Wireless, Inc., Skybeam, LLC, Essex Telcom, Inc. and LStar Equity Company Holdings, L.P. for the Transfer of Control of Domestic Section 214 Authorization Under the Communications Act of 1934, as amended, WC Docket No. 22-422 (filed Dec. 2, 2022) (Application). On November 30, 2022, the Applicants filed a request for special temporary authority (STA) to address the unauthorized transfer of control. JAB Wireless, Inc., Skybeam, LLC, Essex Telcom, Inc. and LStar Equity Company Holdings, L.P., Request for Special Temporary Authority, WC Docket No. 22-422 (filed Nov. 30, 2022). On December 14, 2022, WCB granted the STA request to authorize the Domestic 214 Authorization Holders to continue providing service for 60 days pending approval of the domestic section 214 transfer of control application. A grant of the domestic section 214 transfer of control application would be without prejudice to any enforcement action by the Commission for non-compliance with the Act or the Commission’s rules. Any action on the domestic section 214 transfer of control application is without prejudice to Commission action on other related, pending applications. [↑](#footnote-ref-3)
2. Application at 3. The Applicants state that JAB Wireless, Skybeam, Essex, and other subsidiaries hold wireless licenses, including common carrier fixed point-to-point microwave licenses, and filed for and received approval to transfer the wireless licenses in order to consummate the 2018 Transaction. Application at 4-6 (citing wireless transfer applications), 16. The grant of the wireless transfer applications contain the following condition: “Grant of this application is conditioned on compliance with the commitment made by JAB Wireless, Inc. and its subsidiaries (collectively, JAB) in JAB’s supplement, filed October 19, 2018, that, if JAB determines that it wishes to provide any common carrier services in the future, it will, prior to providing such services, seek appropriate approvals from the Commission, including but not limited to filing a petition for declaratory ruling pursuant to Section 310(b) of the Communications Act of 1934, as amended. A failure to comply with and/or remain in compliance with this commitment shall constitute a failure to meet a condition of this authorization and thus grounds for declaring the authorization terminated without further action on the part of the Commission. Failure to meet a condition of this authorization may also result in monetary sanctions or other enforcement action by the Commission.” *See* ULS File Nos. 0008206233; 0008206238; 0008206230; 0008206234; 0008206243; 0008206244. On June 10, 2022, JAB Wireless and the Licensees filed a domestic section 214 application to transfer control of the Licensees to GI DI Iris Acquisition Inc., an investment entity, and also filed a petition for declaratory ruling to permit foreign investment in the Licensees above the 25% benchmarks in section 310(b)(4) of the Act and section 1.5000(a)(1) of the Commission’s rules, 47 U.S.C. § 310(b)(4); 47 CFR § 1.5000(a)(1) (together, 2022 Transaction). *Domestic Section 214 Application Filed for the Transfer of Control of Skybeam, LLC and Affiliates to GI DI Iris Acquisition Inc*., WC Docket No. 22-230; *Section 310(b)(4) Petition for Declaratory Ruling,* IB File No. ISP-PDR-20220610-0004, Public Notice, DA 22-1062 (WCB/IB Oct. 4, 2022) (*2022 Transaction Public Notice*). [↑](#footnote-ref-4)
3. 47 U.S.C. § 310(b)(4); 47 CFR § 1.5000(a)(1). JAB Wireless, *et al*., Joint Petition for Declaratory Ruling, IBFS File No. ISP-PDR- 20221208-00012 (filed Dec. 8, 2022) (Petition). On December 8, 2022, Petitioners also filed a supplement amending a request in the Petition with respect to insulation, identifying additional disclosable interest holders and specific approval entities, updating the estimate for aggregate foreign ownership, and updating the post-transaction ownership chart. JAB Wireless, *et al*., Supplement to Joint Petition for Declaratory Ruling, IBFS File No. ISP-PDR- 20221208-00012, WC Docket No. 22-422 (filed Dec. 8, 2022) (Petition Supplement). [↑](#footnote-ref-5)
4. Application at 3, 14. [↑](#footnote-ref-6)
5. *Id.* at 3-4, 14-15. [↑](#footnote-ref-7)
6. *Id.* *See* *Rural Broadband Experiment Support Authorized for Ten Winning Bids for Skybeam, LLC, et al.*, WC Docket Nos. 10-90, 14-259, Public Notice, 30 FCC Rcd 8283 (WCB 2015); *Rural Broadband Experiment Support Authorized for Skybeam, LLC, et al*., WC Docket Nos. 10-90, 14-259, Public Notice, 30 FCC Rcd 12725 (WCB 2015); *Rural Broadband Experiment Support Authorized for Skybeam, LLC*, WC Docket Nos. 10-90, 14-259, Public Notice, 31 FCC Rcd 100 (WCB 2016). [↑](#footnote-ref-8)
7. Application at 7-8. Entities must be designated as ETCs under section 214(e) of the Act, 47 U.S.C. § 214(e), to receive RBE funding. *See Connect America Fund ETC Annual Reports and Certifications*, WC Docket No. 10-90, WT Docket No. 14-58, Report and Order and Notice of Proposed Rulemaking, 29 FCC Rcd 8769, 8778, 8788, paras. 22, 54 (2014)(*Rural Broadband Experiments Order*). [↑](#footnote-ref-9)
8. The 2018 Transactions were “[p]ursuant to the Master Restructuring Agreement by and among JAB [Wireless], LStar Equity, LStar Loan Company, LLC, KOO JAB, LLC, KOO JAB II, LLC, and John S. Koo Charitable Remainder Trust dated as of May 2, 2018, and the LStar Exchange Agreement by and between JAB [Wireless] and LStar Equity dated as of May 2, 2018.” Petition at 2-3. [↑](#footnote-ref-10)
9. Application at 5 and Petition Supplement, Exh. A (Updated Post-Transaction Ownership Narrative), Exh. B (Updated Post-Transaction Ownership Structure). The Applicants state that since closing of the 2018 Transaction, there have been minor adjustments in equity interests of Licensees that have not resulting in a change of controlling interests of 10% or more. Applicationat n.11. Petition at 3. [↑](#footnote-ref-11)
10. Application at 14. Petition at 3. The Applicants state that LStar Equity does not hold a controlling interest in any domestic telecommunications carriers. Application at 15. [↑](#footnote-ref-12)
11. Application at 2; Petition at 8. Hudson Advisors L.P. and its subsidiaries, based in Texas, provide asset management and ancillary and other support services to the Lone Star Funds. Application at 2-3; Petition at 8-9. [↑](#footnote-ref-13)
12. Petition Supplement, Exh. A at 6-8. [↑](#footnote-ref-14)
13. *Id*., Exh. A at 8. [↑](#footnote-ref-15)
14. *Id*., Exh. A at 8-9. [↑](#footnote-ref-16)
15. *Id.,* Exh. A at 9-10. [↑](#footnote-ref-17)
16. *Id.,* Exh. A at 10. [↑](#footnote-ref-18)
17. *Id.,* Exh. A at 15-16. [↑](#footnote-ref-19)
18. *Id.,* Exh. A at 10. [↑](#footnote-ref-20)
19. *Id.,* Exh. A at 15. [↑](#footnote-ref-21)
20. *Id*., Exh. A at 16. [↑](#footnote-ref-22)
21. *Id.,* Exh. A at 11. [↑](#footnote-ref-23)
22. *Id.* [↑](#footnote-ref-24)
23. *Id.,* Exh. A at 14. [↑](#footnote-ref-25)
24. *Id.,* Exh. A at 11-13. [↑](#footnote-ref-26)
25. *Id.,* Exh. A at 12. [↑](#footnote-ref-27)
26. *Id.* [↑](#footnote-ref-28)
27. *Id.,* Exh. A at 12-13. [↑](#footnote-ref-29)
28. *Id.,* Exh. A at 13 [↑](#footnote-ref-30)
29. *Id.* [↑](#footnote-ref-31)
30. *Id.* [↑](#footnote-ref-32)
31. *Id.,* Exh. A at 14-15. [↑](#footnote-ref-33)
32. *Id.,* Exh. A at 15. [↑](#footnote-ref-34)
33. *Id.,* Exh. A at 14-15. [↑](#footnote-ref-35)
34. *Id.,* Exh. A at 15. [↑](#footnote-ref-36)
35. *Id.* [↑](#footnote-ref-37)
36. Application at 8-11. [↑](#footnote-ref-38)
37. Petition at 7-8. [↑](#footnote-ref-39)
38. *Id.*  at 8. [↑](#footnote-ref-40)
39. *Id.* [↑](#footnote-ref-41)
40. *Id.* at 3; Petition Supplement, Exh. A at 16. [↑](#footnote-ref-42)
41. Petition at 8. [↑](#footnote-ref-43)
42. *Id*. at 3; Petition Supplement, Exh. A at 5-6. [↑](#footnote-ref-44)
43. Petition Supplement Exh. A at 6. [↑](#footnote-ref-45)
44. Petition Supplement, Exh. A at 6. [↑](#footnote-ref-46)
45. Petition at 8; Petition Supplement, Exhibit A at 8; Petition Supplement, Exh. B. [↑](#footnote-ref-47)
46. Petition Supplement, Exh. A at 8; Petition Supplement, Exh. B. [↑](#footnote-ref-48)
47. Petition, Supplement, Exh. A at 8-97; Petition Supplement, Exh. B. [↑](#footnote-ref-49)
48. Petition Supplement, Exh. A at 6-10; Petition Supplement, Exh. B. [↑](#footnote-ref-50)
49. Petition Supplement, Exh. A at 6; Petition Supplement, Exh. B. [↑](#footnote-ref-51)
50. Petition Supplement, Exh. A at 6-7; Petition Supplement, Exh. B. [↑](#footnote-ref-52)
51. Petition Supplement, Exh. A at 6-7; Petition Supplement, Exh. B. [↑](#footnote-ref-53)
52. Petition Supplement, Exh. A at 8, Petition Supplement, Exh. B. [↑](#footnote-ref-54)
53. Petition Supplement, Exh. A at 15; Petition Supplement, Exh. B. [↑](#footnote-ref-55)
54. Petition Supplement, Exh. A at 10; Petition Supplement, Exh. B. [↑](#footnote-ref-56)
55. Petition Supplement, Exh. A at 15-16; Petition Supplement, Exh. B. [↑](#footnote-ref-57)
56. Petition at 4, 9; Petition Supplement, Exh. A at 16; Petition Supplement, Exh. B. [↑](#footnote-ref-58)
57. Petition Supplement, Exh. A at 11; Petition Supplement, Exh. B. [↑](#footnote-ref-59)
58. Petition Supplement, Exh. A at 11-12; Petition Supplement, Exh. B. [↑](#footnote-ref-60)
59. Petition Supplement, Exh. A at 11-12; Petition Supplement, Exh. B. [↑](#footnote-ref-61)
60. Petition Supplement, Exh. A at 11-14; Petition Supplement, Exh. B. [↑](#footnote-ref-62)
61. Petition Supplement, Exh. A at 11-14; Petition Supplement, Exh. B. [↑](#footnote-ref-63)
62. Petition Supplement, Exh. A at 17; Petition Supplement, Exh. B. [↑](#footnote-ref-64)
63. Petition Supplement, Exh. A at 17; Petition Supplement, Exh. B. [↑](#footnote-ref-65)
64. Petition Supplement, Exh. A at 17; Petition Supplement, Exh. B. [↑](#footnote-ref-66)
65. 47 CFR §1.5003; Petition at 11-14; Petition Supplement at 1-2. Petitioners argue, in the alternative, that section 1.5003 should be waived pursuant to section 1.3 of the Commission’s rules. 47 CFR §1.3; Petition at 13-14; Petition Supplement at 2. [↑](#footnote-ref-67)
66. Petition at 11-14; Petition Supplement at 1-2. [↑](#footnote-ref-68)
67. Petition at 11; Petition Supplement at 1-2. [↑](#footnote-ref-69)
68. Petition at 11. Petitioners claim that the voting power “could only be exercised if 70% of the limited partners by interest agreed to remove the general partner, which would be extremely unlikely to happen – Fund VIII US has over 100 independent limited partners, none of which holds as much as 9% of the fund and only six of which hold more than 5%.” Petition at 11-12. [↑](#footnote-ref-70)
69. Petition Supplement at 1-2. [↑](#footnote-ref-71)
70. 47 CFR §1.5001(h). [↑](#footnote-ref-72)
71. Petition Supplement, Exh. A at 16. [↑](#footnote-ref-73)
72. 47 CFR §1.5001(i). [↑](#footnote-ref-74)
73. Petition Supplement, Exh. A at 17-18. [↑](#footnote-ref-75)
74. Petition Supplement, Exh. A at 6. [↑](#footnote-ref-76)
75. 47 CFR §1.5001(k). [↑](#footnote-ref-77)
76. Petition at 9-11. [↑](#footnote-ref-78)
77. 47 CFR § 63.03(c)(1)(v). [↑](#footnote-ref-79)
78. *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, 10936, paras. 25, 30 (2020) (*Executive Branch Review Process Order*)); 47 CFR § 1.40001(a)(1). [↑](#footnote-ref-80)
79. Application at 17-19; Petition at 4-7. [↑](#footnote-ref-81)
80. Application at 18; Petition at 5-6. [↑](#footnote-ref-82)
81. *Executive Branch Review Process Order* at 10939, para 30, n.81. [↑](#footnote-ref-83)
82. 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). [↑](#footnote-ref-84)
83. *See* 47 CFR § 1.45(c). [↑](#footnote-ref-85)