



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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Report No. TEL-01478NS

Friday January 21, 2011

**NON STREAMLINED INTERNATIONAL APPLICATIONS/PETITIONS ACCEPTED FOR FILING
Section 214 Applications (47 C.F.R. § 63.18); Authorize Switched Services over Private Lines (47 C.F.R. § 63.16)
and Section 310(b)(4)**

Unless otherwise specified, the following procedures apply to the applications listed below:

The applications listed below have been found, upon initial review, to be acceptable for filing. These applications are not subject to the streamlined processing procedures set forth in Section 63.12 of the Commission's rules, 47 C.F.R. § 63.12. These applications shall not be deemed granted until the Commission affirmatively acts upon the application, either by public notice or by written order. Operation for which authorization is sought may not commence except in accordance with any terms or conditions imposed by the Commission.

Unless otherwise specified, interested parties may file comments with respect to these applications within 28 days of the date of this public notice. We request that such comments refer to the application file number shown below. No application listed below shall be granted by the Commission earlier than the day after the date specified in this public notice for the filing of comments.

Unless otherwise specified, ex parte communications between outside parties and Commission staff concerning these applications are permitted subject to the Commission's rules for "permit-but-disclose proceedings." See 47 C.F.R. § 1.1206.

Copies of all applications listed here are available for public inspection in the FCC Reference and Information Center, located in room CY-A257 at the Portals 2 building, 445 12th Street SW, Washington DC 20554. The center can be contacted at (202) 418-0270. People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty). All applications listed are subject to further consideration and review, and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations, and other requirements.

Petition for Declaratory Ruling

Covad Communications Group, Inc. (Covad), NextWeb, Inc. (NextWeb) and U.S. TelePacific Corp. (TPAC) (collectively, "Petitioners") request a declaratory ruling under section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(b)(4), that it would serve the public interest to allow greater than 25% indirect foreign ownership of NextWeb. NextWeb holds licenses to provide common carrier fixed point-to-point microwave services as well as multiple spectrum leases for spectrum held under local multipoint distribution service licenses. Petitioners' request is made in connection with an application for transfer of control of NextWeb from Covad to TPAC under which NextWeb will be wholly owned by TPAC. See ULS File No. 0004550716.

According to the Petitioners, TPAC is a wholly-owned subsidiary of U.S. TelePacific Holdings Corp. (TPAC Holdings), a Delaware corporation which is primarily owned by two private equity investment funds: (1) Investcorp S.A., an entity organized in the Cayman Islands, a World Trade Organization Member country (39.6%), and (2) Clarity Partners, L.P., a Delaware limited partnership (23.97%). Ten other private equity funds, all of which are organized in the Cayman Islands, own collectively 24.1% of TPAC Holdings. Petitioners state that these funds were formed at the direction of Investcorp S.A. but that it does not control, or have any direct or indirect ownership interest in, any of them. Petitioners further state that 12.33% of TPAC Holdings is owned collectively by individuals and trusts for individuals who are U.S. citizens, none of which owns or controls more than 10%.

According to the Petitioners, Investcorp S.A. is wholly owned by Investcorp Holdings Limited (Investcorp Holdings), a Cayman Islands entity which is owned by Investcorp Bank B.S.C. (100% equity and 40.3 % voting) and CP Holdings Limited, a Cayman Islands entity (40.4% voting). CP Holdings Limited is 55.4% owned by Ownership Holdings Limited, a Cayman Islands entity. Ownership Holdings Limited is owned by SIPCO Limited (53.3%) and New Investors Holding Limited (25.6%), both Cayman Islands entities.

Petitioners state that Clarity Partners, L.P. holds its interests in TPAC Holdings directly (20.71%) and through two Delaware limited partnerships, Clarity Advisors, L.P. (2.98%) and Clarity Associates, L.P. (0.28%). Petitioners state that the general partner of Clarity Partners, L.P., Clarity Advisors, L.P. and Clarity Associates, L.P. is Clarity GenPar, LLC, a Delaware limited liability company. Petitioners further state that Clarity GenPar, LLC also owns a 4.31 equity interest in Clarity Partners, L.P. According to Petitioners, the remaining interests in Clarity Partners L.P. are held by numerous limited partners, all of which are citizens of, are organized in, and/or have a principal place of business in the United States. Petitioners assert that none of the limited partners has the ability to control or be involved in the day-to-day business operations, activities or decisions of Clarity Partners, L.P. They also state that the managing members of Clarity GenPar, LLC are Barry Porter, Stephen P. Rader, Rudolph Reinfrank and David Lee, each of whom is a U.S. citizen.

Petitioners assert that, pursuant to the rules and policies established by the Commission's Foreign Participation Order, 12 FCC Rcd 23891 (1997), Order on Reconsideration, 15 FCC Rcd 18158 (2000), the public interest would be served by permitting the indirect foreign ownership of NextWeb in excess of the 25 percent benchmark in section 310(b)(4) of the Act.

REMINDER:

Applicants must certify that neither the applicant nor any party to the application is subject to a denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862. See 47 C.F.R. §§ 1.2001–2003.

An updated version of Section 63.09-.25 of the rules, and other related sections, is available at <http://www.fcc.gov/ib/pd/pf/telecomrules.html>