



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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Report No. TEL-02168NS

Friday March 11, 2022

Non Streamlined International Applications/Petitions Accepted For Filing

Section 214 Applications (47 CFR §§ 63.18, 63.24); Section 310(b) Petitions (47 CFR § 1.5000)

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 CFR § 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. Pursuant to Section 1.1910(b)(2) of the rules, action will be withheld on any application by any entity found to be delinquent in its debts to the Commission. Applicants should check the Red Light Display System's website at www.fcc.gov/redlight to determine if they are delinquent in a debt to the Commission and for information on how to pay the debt.

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 CFR § 1.1206.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty). 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.

Transfer of Control

Current Licensee: Telxius Cable Puerto Rico, Inc.

FROM: KKR Management LLP

TO: Pontegadea Inversiones, S.L.

An application was filed for consent to transfer control of negative control rights over Telxius Cable Puerto Rico, Inc. (Telxius Puerto Rico), a Puerto Rico company that holds an international section 214 authorization (ITC-214-20131121-00316), from KKR Management LLP (KKR Management) to Pontegadea Inversiones, S.L. (Pontegadea).

Telxius Puerto Rico is a wholly owned subsidiary of Telxius Cable America, S.A. (Telxius America), a Uruguay company, which is a wholly owned subsidiary of Telxius Telecom S.A.U. (Telxius Parent), a Spanish company. Pontel Participaciones, S.L. (Pontel), a Spanish company, holds 60% equity and voting interests in Telxius Parent. Taurus Bidco S.a.r.l (Taurus Bidco), a Luxembourg company ultimately owned and controlled by KKR Management, a Delaware company, holds the remaining 40% equity and voting interests and certain negative control rights over Telxius Parent. Telefonica, S.A. (Telefonica), a publicly traded Spanish company, holds 83.35% equity and voting interests in Pontel and ultimate de jure control over Telxius Parent. The remaining 16.65% voting and equity interests in Pontel are held by Pontegadea Inversiones, S.L. (Pontegadea), a Spanish company, that is 99.99% owned by Mr. Amancio Ortega Gaona, a citizen of Spain.

The Proposed Transaction will be comprised of a series of steps. First, the 40% equity and voting interests and negative control rights currently held by Taurus Bidco in Telxius Parent will be acquired by Pontel. Simultaneously Telefonica and Pontegadea will carry out a capital restructuring that will result in Telefonica holding 70% voting and equity interests in Pontel and Pontegadea holding the remaining 30% voting and equity interests in Pontel. As soon as possible thereafter, Telefonica and Pontel will restructure their interests by merging Pontel into Telxius Parent, with Telxius Parent surviving, such that Telefonica (70%) and Pontegadea (30%) will hold their interests directly in Telxius Parent.

As part of the Proposed Transaction a Shareholder Agreement will be executed pursuant to which Pontegadea will acquire certain negative control rights over shareholders, board of directors, and third-party transaction matters that could be deemed to constitute de facto control. The Shareholder Agreement gives Pontegadea certain rights beyond standard minority shareholder protections that allows Pontegadea to veto certain Pontel (and following the restructuring, Telxius Parent) matters including business plans, annual budgets, contract value thresholds, the ability to enter into related party transactions with Telefonica and its non-Telxius subsidiaries, and influence over the appointment, replacement, and removal of the CEO and CFO. Following consummation of the Proposed Transaction, Telefonica will continue to retain de jure control over Telxius Parent and the Telxius Puerto Rico.

After completion of the Proposed Transaction the following individuals and entities will have a ten-percent-or-greater direct or indirect interest in Telxius Colombia: (1) Telxius America, a Uruguay company (100% equity and voting interests in Telxius Colombia), (2) Telxius Parent, a Spanish company (100% equity and voting interests in Telxius America); (2) Telefonica, a publicly traded Spanish company with no 10% or greater interest holders (70% equity and voting interests in Telxius Parent); (3) Pontegadea, a Spanish company (30% equity and voting interests in Telxius Parent and certain negative control rights), and (4) Mr. Amancio Ortega Gaona, a citizen of Spain (99.99% equity and voting interests in Pontegadea). There will be no other 10% percent or greater direct or indirect interest holders in Telxius Puerto Rico.

Pursuant to Commission practice, the applications associated with the Proposed Transaction (ITC-T/C-20220222-00030, ITC-T/C-20220222-00031, SCL-T/C-20220222-00006, SCL-T/C-20220222-00007, SCL-T/C-20220222-00008, SCL-T/C-20220222-00009) are being referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy or trade policy concerns related to the foreign ownership of the Applicants.

Transfer of Control

Current Licensee: Telxius Cable USA, Inc.

FROM: KKR Management LLP

TO: Pontegadea Inversiones, S.L.

An application was filed for consent to transfer control of negative control rights over Telxius Cable USA, Inc. (Telxius USA), a Florida corporation that holds international section 214 authorization (ITC-214-20080709-00314, ITC-214-20040518-00203), from KKR Management LLP (KKR Management) to Pontegadea Inversiones, S.L. (Pontegadea).

Telxius USA is a wholly owned subsidiary of Telxius Cable America, S.A. (Telxius America), a Uruguay company, which is a wholly owned subsidiary of Telxius Telecom S.A.U. (Telxius Parent), a Spanish company. Pontel Participaciones, S.L. (Pontel), a Spanish company, holds 60% equity and voting interests in Telxius Parent. Taurus Bidco S.a.r.l (Taurus Bidco), a Luxembourg company ultimately owned and controlled by KKR Management, a Delaware company, holds the remaining 40% equity and voting interests and certain negative control rights over Telxius Parent. Telefonica, S.A. (Telefonica), a publicly traded Spanish company, holds 83.35% equity and voting interests in Pontel and ultimate de jure control over Telxius Parent. The remaining 16.65% voting and equity interests in Pontel are held by Pontegadea Inversiones, S.L. (Pontegadea), a Spanish company, that is 99.99% owned by Mr. Amancio Ortega Gaona, a citizen of Spain.

The Proposed Transaction will be comprised of a series of steps. First, the 40% equity and voting interests and negative control rights currently held by Taurus Bidco in Telxius Parent will be acquired by Pontel. Simultaneously Telefonica and Pontegadea will carry out a capital restructuring that will result in Telefonica holding 70% voting and equity interests in Pontel and Pontegadea holding the remaining 30% voting and equity interests in Pontel. As soon as possible thereafter, Telefonica and Pontel will restructure their interests by merging Pontel into Telxius Parent, with Telxius Parent surviving, such that Telefonica (70%) and Pontegadea (30%) will hold their interests directly in Telxius Parent.

As part of the Proposed Transaction a Shareholder Agreement will be executed pursuant to which Pontegadea will acquire certain negative control rights over shareholders, board of directors, and third-party transaction matters that could be deemed to constitute de facto control. The Shareholder Agreement gives Pontegadea certain rights beyond standard minority shareholder protections that allows Pontegadea to veto certain Pontel (and following the restructuring, Telxius Parent) matters including business plans, annual budgets, contract value thresholds, the ability to enter into related party transactions with Telefonica and its non-Telxius subsidiaries, and influence over the appointment, replacement, and removal of the CEO and CFO. Following consummation of the Proposed Transaction, Telefonica will continue to retain de jure control over Telxius Parent and the Telxius USA.

After completion of the Proposed Transaction the following individuals and entities will have a ten-percent-or-greater direct or indirect interest in Telxius Colombia: (1) Telxius America, a Uruguay company (100% equity and voting interests in Telxius Colombia), (2) Telxius Parent, a Spanish company (100% equity and voting interests in Telxius America); (2) Telefonica, a publicly traded Spanish company with no 10% or greater interest holders (70% equity and voting interests in Telxius Parent); (3) Pontegadea, a Spanish company (30% equity and voting interests in Telxius Parent and certain negative control rights), and (4) Mr. Amancio Ortega Gaona, a citizen of Spain (99.99% equity and voting interests in Pontegadea). There will be no other 10% percent or greater direct or indirect interest holders in Telxius USA.

Pursuant to Commission practice, the applications associated with the Proposed Transaction (ITC-T/C-20220222-00030, ITC-T/C-20220222-00031, SCL-T/C-20220222-00006, SCL-T/C-20220222-00007, SCL-T/C-20220222-00008, SCL-T/C-20220222-00009) are being referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy or trade policy concerns related to the foreign ownership of the Applicants.

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 CFR §§ 1.2001–.2003.