



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

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DA 16-277
March 15, 2016

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF DSCI, LLC TO U.S. TELEPACIFIC CORP.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 16-67

Comments Due: March 29, 2016

Reply Comments Due: April 5, 2016

DSCI Holdings Corporation (Parent), DSCI, LLC, and U.S. TelePacific Corp. (TelePacific) (collectively, Applicants) filed an application pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.03 of the Commission's rules, requesting approval to complete a proposed transaction whereby TelePacific will acquire ownership and control of DSCI, LLC.¹

DSCI, LLC, a Delaware limited liability company, provides competitive local exchange carrier (LEC) services in the following states and the District of Columbia: California, Connecticut, Florida, Georgia, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Texas, and Vermont.² DSCI, LLC's direct subsidiary, DSCI Corporation of Virginia, Inc., is a competitive LEC in Virginia.

TelePacific, a California corporation, provides competitive telecommunications services to business customers in Nevada and California. It is affiliated with the following U.S. based competitive telecommunications carriers: Mpower Communications Corp. providing service in Nevada and California; Arrival Communications, Inc., providing service in California, and TelePacific Communications Co. f/k/a Tel West Network Services Corporation, providing service in Texas.

¹ See 47 C.F.R § 63.03; 47 U.S.C. § 214. Applicants also filed applications for the transfer of authorizations associated with international services. Any action on this domestic Section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their domestic Section 214 application on March 10, 2016. Letter from Danielle Burt, Counsel for TelePacific., and Michael P. Donahue, Counsel for Parent and DSCI, LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 16-67 (filed Mar. 10, 2016) (TelePacific *Ex Parte*).

² Applicants state that DSCI, LLC is owned by Parent, a Massachusetts corporation which holds its interest through a combination of direct and indirect ownership, and McCarthy Capital Fund V, L.P., a Delaware investment entity. TelePacific *Ex Parte* at 1.

Applicants state that U.S. TelePacific Holdings Corp. (TPAC Holdings), a U.S. based holding company, owns 100 percent of TelePacific. The following entities own or control 10 percent or more of TPAC Holdings: Investcorp S.A. (39.6 percent),³ a Cayman Islands investment entity, and Clarity Partners, L.P., a U.S. based investment entity (23.97 percent).⁴ Clarity GenPar, LLC, a U.S. based investment entity, owns 4.31 percent and is the general partner of Clarity Partners, L.P. The following U.S. citizens own or control 25 percent or more and are managing members of Clarity GenPar, LLC: Barry Porter, Stephen P. Rader, and David Lee. Investcorp Holdings Limited, a Cayman Islands holding company, owns 100 percent of Investcorp S.A. Investcorp Bank B.S.C., a Bahrain investment bank, owns 100 percent of equity and has 23.1 percent voting control in Investcorp Holdings Limited. CP Holdings Limited, a Cayman Islands investment entity, has 48.3 percent voting control in Investcorp Holdings Limited. CP Holdings Limited and Ownership Holdings Limited, also a Cayman Islands entity, own 48 percent and 17.1 percent, respectively, of Investcorp Bank B.S.C. Ownership Holdings Limited, in turn, owns 52.3 percent of CP Holdings Limited. SIPCO Limited, a Cayman Islands entity, owns 64.6 percent of Ownership Holdings Limited, and SIPCO Holdings Limited, a Cayman Islands entity, owns 100 percent of the voting stock of SIPCO Limited. Applicants state that SIPCO Holdings Limited is managed by the following individuals: Mr. Nemir Kirdar (Great Britain citizenship), H.E. Abdul-Rahman Salim Al-Ateeqi (Kuwait citizenship), Mr. Abdul Aziz Jassim Kannoo (Saudi Arabia citizenship), Mr. Hussain Ibrahim Al-Fardan (Qatar citizenship), Mr. Khalid Rashid Al Zayani (Bahrain citizenship), Mr. Mohammed Bin Mahfoodh Alardhi (Omar citizenship), and Ms. Stephanie Bess (U.S. citizenship). Applicants further state that no other individual or entity owns or controls more than 10 percent directly or indirectly of TelePacific, and that the only interests in Commission licensees currently held by the owners of TelePacific are the affiliates noted above and NextWeb, Inc., a licensee of common carrier fixed point-to-point microwave services.

Pursuant to the terms of the proposed transaction, TelePacific will acquire ownership and control of DSCI, LLC, which will be a direct wholly owned subsidiary of TelePacific. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under Section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁵

Domestic Section 214 Application Filed for the Transfer of Control of DSCI, LLC to U.S. TelePacific Corporation, WC Docket No. 16-67 (filed Mar. 7, 2016).

³ Investcorp S.A.'s 39.6 percent interest is held indirectly through control of various corporations. Of these corporations, only TelePacific Equity Limited individually owns or controls more than 10 percent of TPAC Holdings. Applicants state that all of the intermediate corporations and the approximate magnitudes of their interests are as follows: Investcorp Properties Limited (2.1 percent); Investcorp International, Inc. (1.9 percent); Investcorp TPC L.P. (5.9 percent); and Investcorp Secondary Partners I, L.P. (7.4 percent). In addition, Investcorp S.A., or a wholly owned subsidiary of Investcorp S.A., has entered into revocable management agreements to direct the voting and disposition of the stock held by Aguanga Limited (2.3 percent); Cahuilla Limited (2.3 percent); Fallbrook Limited (2.3 percent); Palmas Limited (2.3 percent); TelePacific Holdings Limited (1.1 percent); TelePacific Equity Limited (11.9 percent). All of these entities are Cayman Islands companies, with the exception of Investcorp Properties Limited and Investcorp International, which were formed in Delaware.

⁴ Clarity Partners, L.P., a Delaware limited partnership, holds a 20.71 percent interest in TPAC Holdings. Two Delaware limited partnerships, Clarity Advisors, L.P. and Clarity Associates, L.P., hold 2.98 percent and 0.28 percent in TPAC Holdings, respectively. The general partner of each of these Delaware limited partnerships is Clarity GenPar, LLC.

⁵ 47 C.F.R. § 63.03(b)(2)(i).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to Section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before March 29, 2016**, and reply comments **on or before April 5, 2016**. Pursuant to Section 63.52 of the Commission's rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

Pursuant to Section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): <http://apps.fcc.gov/ecfs/>.

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

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@fcc.gov;
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov;
- 4) David Krech, International Bureau, david.krech@fcc.gov;
- 5) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov.

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).

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 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For further information, please contact Tracey Wilson at (202) 418-1394 or Jodie May at (202) 418-0913.

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