



PUBLIC NOTICE

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APPLICATIONS GRANTED FOR THE TRANSFER OF CONTROL OF INMARSAT PLC AND SUBSIDIARIES TO CONNECT BIDCO LIMITED

DECLARATORY RULING ON FOREIGN OWNERSHIP

IB Docket No. 19-216

By the Chief, International Bureau:

Connect Bidco Limited (Connect Bidco) and Inmarsat plc (Inmarsat) (and together with Connect Bidco, the Applicants) filed a series of Applications under sections 214 and 310(d) of the Communications Act of 1934, as amended (the Act),¹ requesting Commission approval to transfer control of licenses and authorizations held by Inmarsat's wholly-owned U.S. subsidiaries—Inmarsat Group Holdings Inc. (IGHI), Inmarsat Inc. (Inmarsat Inc.), ISAT US Inc. (ISAT), and Inmarsat Solutions (US) Inc. (ISUS) (together, the Authorization Holders)—from the public shareholders of Inmarsat to Connect Bidco.² Connect Bidco, a Guernsey limited company, also filed a petition for declaratory ruling pursuant to section 310(b)(4) of the Act³ and section 1.5000(a)(1) of the Commission's rules,⁴ to permit 100% foreign ownership of IGHl—the controlling U.S. parent of ISAT and ISUS, which hold common carrier earth station licenses.⁵ We find, upon consideration of the record, that the proposed transfer will serve the public interest, convenience, and necessity, and therefore grant the Applications and issue a declaratory ruling allowing foreign ownership of IGHl above the 25% benchmark set forth in section 310(b)(4) subject to the conditions stated herein.⁶

¹ 47 U.S.C. §§ 214, 310(d).

² Application of Inmarsat plc and Connect Bidco Limited for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, to Transfer Control of Inmarsat Group Holdings Inc. to Connect Bidco Limited, IBFS File No. ITC-T/C-20190603-00117 (filed May 28, 2019) (Lead Application). Applicants have also filed applications seeking Commission approval for the transfer of control of satellite earth station authorizations.

³ 47 U.S.C. § 310(b)(4).

⁴ 47 CFR § 1.5000(a)(1).

⁵ Inmarsat plc, Inmarsat Solutions (US) Inc. (ISUS) and ISAT US Inc. (ISAT), and Connect Bidco Limited, Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as amended, File No. ISP-PDR-20190528-00003 (filed May 28, 2019 and refiled July 9, 2019) (Petition). Page citations to the Petition refer to the revised Petition for Declaratory Ruling filed July 9, 2019. Petitioners also filed a second supplement requesting specific approval of an additional individual. See Second Supplement to Petition (filed Sept. 19, 2019).

⁶ The file numbers for the Applications and Petition are set out in Attachment A.

On July 25, 2019, the International Bureau released a public notice seeking comment on the Applications and Petition.⁷ On July 25, 2019, the Department of Justice (DOJ), with the concurrence of the U.S. Department of Homeland Security and the Department of Defense (collectively, the Executive Branch Agencies), filed a letter requesting that the Commission defer action on the Applications and Petition while they reviewed for potential national security, law enforcement, and public safety concerns.⁸ On September 16, 2019, the Executive Branch Agencies submitted a Petition to Adopt Conditions to Authorizations and Licenses.⁹ The Executive Branch Agencies advise that they have no objection to grant of the Applications and Petition in this proceeding, provided the Commission conditions its grant on the assurance of Inmarsat to abide by the commitments and undertakings set forth in the September 13, 2019 Letter of Agreement.¹⁰ No other comments were filed.

IGHI holds international section 214 authorizations. Its subsidiaries Inmarsat Inc. and ISAT hold non-common carrier earth station licenses. ISAT and ISUS hold common carrier earth station licenses. IGH, Inmarsat Inc., ISAT, and ISUS are organized in Delaware. IGH ultimately is wholly owned and controlled, through a series of intervening U.K.-organized holding companies, by Inmarsat, a public company organized in the United Kingdom.¹¹

Applicants state that Connect Bidco is a newly incorporated limited company organized under the laws of Guernsey for the purpose of consummating the proposed transaction.¹² According to the Applications, Connect Bidco, through intermediate holding companies also formed under the laws of Guernsey, is owned by: (1) Triton LuxTopHolding SARL, a Luxembourg limited liability company (Triton LuxTop), which is owned by certain limited partnerships comprising the Apax IX investment funds controlled by Apax IX GP Co. Limited (Apax IX GP);¹³ (2) WP Triton Co-Invest, L.P. (WP Triton), a Cayman Islands exempted limited partnership, which is owned by certain investment funds controlled by Warburg Pincus (Cayman) Global Growth GP, L.P., a Cayman Islands exempted limited partnership (Warburg Pincus GP); (3) CPP Investment Board Private Holdings, Inc., a Canadian

⁷ *Applications filed for Consent to Transfer Control of Inmarsat plc and Subsidiaries to Connect Bidco and Request for Declaratory Ruling on Foreign Ownership*, IB Docket No. 19-216, Public Notice, 34 FCC Rcd 6356 (IB 2019).

⁸ Letter from Lee Licata, Attorney Advisor, National Security Division, DOJ, to Marlene H. Dortch, FCC, IB Docket No. 19-216 and File Nos. ITC-T/C-20190603-00117, SES-T/C-20190603-00672, SES-T/C-20190603-00673, SES-T/C-20190603-00674, SES-T/C-20190603-00675, SES-T/C-20190603-00676, ISP-PDR-20190528-00003 (filed July 25, 2019).

⁹ Petition to Adopt Conditions to Authorizations and Licenses, IB Docket No. 19-216, and File Nos. ITC-T/C-20190603-00117, SES-T/C-20190603-00672, SES-T/C-20190603-00673, SES-T/C-20190603-00674, SES-T/C-20190603-00675, SES-T/C-20190603-00676, ISP-PDR-20190528-00003 (filed Sept. 16, 2019) (Petition to Adopt Conditions).

¹⁰ *Id.* at 1-2; Letter from Alison Horrocks, Chief Corporate Affairs Officer, Inmarsat plc, to the Assistant Attorney General For National Security, DOJ, dated Sept. 13, 2019 (LOA).

¹¹ The Applicants do not expect the ownership structure between IGH and Inmarsat to change as a result of the proposed transaction. Lead Application at 8.

¹² *Id.* at 4.

¹³ Apax IX GP is ultimately controlled by The Hirzel IV Purpose Trust (and its named trustees), a non-charitable purpose trust organized in Guernsey and advised by Apax Partners LLP or its affiliates (Apax). Applicants state that Apax provides investment advice in relation to the acquisition, monitoring and realization of investment by the Apax IX limited partnerships but that Apax has no direct or indirect ownership interest in the Apax IX limited partnerships. Petition at 4 & note 6. They state further, however, that certain partners and employees of the “Apax Group,” which includes Apax Partners LLP, have made investments in the Apax IX limited partnerships as part of a coinvestment commitment made by the Apax Group. Petition at 2.

corporation that is wholly owned by the Canada Pension Plan Investment Board (CPPIB); and (4) 2684343 Ontario Limited, a Canadian corporation that is wholly owned by the Ontario Teachers' Pension Plan Board (OTPP).¹⁴

On March 25, 2019, the boards of Inmarsat and Connect Bidco reached agreement on the terms of a recommended cash offer pursuant to which Connect Bidco would acquire the entire issued and to be issued share capital of Inmarsat.¹⁵ Inmarsat's shareholders approved the offer on May 10, 2019.¹⁶

Applicants contend that grant of the Applications will serve the public interest. Applicants assert that the financial, technical and managerial resources that Connect Bidco and its investors will bring to Inmarsat and its operating subsidiaries are expected to enhance their ability to compete in the communications marketplace.¹⁷ Applicants note that Connect Bidco also intends to: (1) ensure that Inmarsat will comply in full with the obligations under the Public Services Agreement with the International Mobile Satellite Organization in respect of the provision of the Global Maritime Distress and Safety System; (2) maintain Inmarsat's headquarters in the United Kingdom; and (3) maintain a level of expenditure on R&D consistent with Inmarsat's past practice, in recognition of the importance of R&D to Inmarsat's ability to continue to develop reliable and high-quality services for its customers and end users.¹⁸

In connection with the proposed transaction, Applicants filed the Petition to seek approval for foreign ownership of IGHl above the 25% benchmark in section 310(b)(4). Connect Bidco states that, upon consummation of the proposed transaction, non-U.S. entities would hold 100% of IGHl's equity and voting interests. It requests specific approval, pursuant to section 1.5001(i) of the rules, to permit the individuals and foreign-organized entities named below to hold, directly and/or indirectly, foreign equity and/or voting interests in IGHl as follows.

Those entities receiving specific approval to hold up to 100% equity and/or voting in IGHl:

Inmarsat Solutions Limited (100% equity and voting) (U.K.);
Inmarsat Finance III Limited (100% equity and voting) (U.K.);
Inmarsat New Ventures Limited (100% equity and voting) (U.K.);
Inmarsat Investments Limited (100% equity and voting) (U.K.);
Inmarsat Group Limited (100% equity and voting) (U.K.);
Inmarsat Holdings Limited (100% equity and voting) (U.K.);
Inmarsat plc (100% equity and voting) (U.K.);
Connect Bidco Limited (100% equity and voting) (Guernsey);
Connect Midco Limited (100% equity and voting) (Guernsey);
Connect Sub-Topco Limited (100% equity and voting) (Guernsey);
Connect Topco Limited (100% equity and voting) (Guernsey).¹⁹

¹⁴ Lead Application at 4; Petition at 4.

¹⁵ Lead Application at 2. The transaction is governed by the U.K. Takeover Code because Inmarsat is currently a publicly traded U.K. company.

¹⁶ Lead Application at 2 note 5; Petition at 3.

¹⁷ Lead Application at 5-6.

¹⁸ Petition at 29.

¹⁹ Connect Bidco requests approval for 100% of the direct and/or indirect equity and voting interests in IGHl to be held by Connect Topco Limited and the named entities that precede it in this list of foreign individuals and foreign-organized entities for which Connect Bidco requests specific approval. Petition at 31.

Those entities receiving specific approval for non-controlling interests in IGHI:

Triton LuxTop Holding SARL (19-23% equity and 25% voting) (Luxembourg), and the affiliated entities and individuals listed below;

Apax IX USD L.P. (14-17% equity and 25% voting) (Guernsey);
 Apax IX USD Co-Investment L.P. (0.1-0.2% equity and 25% voting) (Guernsey);
 Apax IX EUR L.P. (5-6% equity and 25% voting) (Guernsey);
 Apax IX EUR Co-Investment L.P. (0.1-0.11% equity and 25% voting) (Guernsey);
 A9 USD (Feeder) L.P. (6-8% equity and 6-8% voting) (Guernsey);
 A9 EUR (Feeder) L.P. (currently, less than 5% equity and voting) (Guernsey);
 Apax IX USD GP L.P. Inc. (less than 1% equity and 25% voting) (Guernsey);²⁰
 Apax IX EUR GP L.P. Inc. (0% equity and 25% voting) (Guernsey);²¹
 Apax IX GP Co. Limited (0% equity and 25% voting) (Guernsey);
 Apax Guernsey (Holdco) PCC Limited Apax IX Cell (0% equity and 25% voting) (Guernsey);
 The Hirzel IV Purpose Trust (0% equity and 25% voting) (Guernsey);
 Andrew Guille (Trustee, less than 1% equity and 25% voting) (jointly with Jacqueline Ward) (U.K.);
 Jacqueline Ward (Trustee, less than 1% equity and 25% voting) (jointly with Andrew Guille) (U.K.);
 Simon Creswell (Trust Enforcer, less than 1% equity and 25% voting) (Australia);
 Salim Nathoo (less than 1% equity and 25% voting) (U.K.);
 Gonzague de Lhoneux (less than 1% equity and 25% voting) (U.K.);
 Jesus Reuda (less than 1% equity and 25% voting) (Spain);
 Andrew Sillitoe (less than 1% equity and 25% voting) (U.K.);

CPP Investment Board Private Holdings (4) Inc. (30% equity and 25% voting) (Canada), and the affiliated entity listed below;

Canada Pension Plan Investment Board (30% equity and 25% voting) (Canada);

2684343 Ontario Limited (25% equity and 25% voting) (Canada), and the affiliated entity listed below;

Ontario Teachers' Pension Plan Board (25% equity and 25% voting) (Canada);

WP Triton Co-Invest, L.P. (22.5%-25% equity and 25% voting) (Cayman Islands), and the affiliated entities listed below;

Warburg Pincus (Callisto-A) Global Growth (Cayman), L.P. (3-6% equity and 25% voting) (Cayman Islands);
 Warburg Pincus (Europa) Global Growth (Cayman), L.P. (3-6% equity and 3-6% voting) (Cayman Islands);
 Warburg Pincus Global Growth-B (Cayman), L.P. (2-5% equity and 2-5% voting) (Cayman Islands);
 WP Triton Investment, L.P. (0-11% equity and 0-11% voting) (Cayman Islands);

²⁰ An affiliate of Apax IX USD GP L.P. Inc. also has a carried interest in the Apax limited partnerships. Petition at 26; Lead Application at 11.

²¹ An affiliate of Apax IX EUR GP L.P. Inc. also has a carried interest in the Apax limited partnerships. Petition at 26.

Warburg Pincus (Cayman) Global Growth GP, L.P. (0% equity and 25% voting) (Cayman Islands); Warburg Pincus Partners II (Cayman), L.P. (0% equity and 25% voting) (Cayman Islands); and Warburg Pincus (Bermuda) Private Equity GP, Ltd. (0% equity and 25% voting) (Bermuda).

We find that grant of the Applications and Petition will serve the public interest, convenience and necessity. We find, upon consideration of the record and pursuant to Commission rules and policies,²² that the public interest would not be served by prohibiting foreign ownership of IGHI, the controlling U.S. parent of common carrier licensees ISAT and ISUS, in excess of the 25% benchmark in section 310(b)(4) of the Act.

In reviewing a transfer of control or assignment application that involves foreign investment, the Commission accords an appropriate level of deference to the unique expertise of the Executive Branch agencies on issues related to national security, law enforcement, foreign policy, or trade policy concerns. Accordingly, the Commission considers any concerns raised by Executive Branch agencies, but the Commission makes an independent decision on the applications based on the record in the proceeding. After review of the record here, we grant the Petition to Adopt Conditions filed by the Executive Branch on September 16, 2019,²³ and accordingly condition grant of the Applications and Petition on compliance by Inmarsat with the LOA.²⁴ 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 authorization and thus grounds for declaring the underlying licenses and authorizations 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.

This ruling authorizes 100% aggregate foreign ownership of IGHI, the controlling U.S.-organized parent of common carrier licensees ISAT and ISUS. Specifically, pursuant to section 1.5001(i) of the rules, we grant Petitioner's request to permit the above-named foreign individuals and foreign-organized entities to hold, directly and/or indirectly, the foreign equity and/or voting interests in the amounts specified above. Pursuant to section 1.5001(k)(2),²⁵ this ruling grants advance approval for the non-controlling foreign interest holders (*i.e.*, those named below Connect Topco Limited in the foregoing list) to increase their interests in IGHI up to and including a non-controlling 49.99% equity and voting interest. Petitioner states that it, or its affiliates, as appropriate, will seek Commission approval prior to any changes in ownership that would require any specific approval under section 1.5001(i).

IGHI has an affirmative duty to monitor its foreign equity and voting interests, calculate these 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 Commission's rules, 47 CFR §§ 1.5002-1.5003, and

²² *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 11272 (2016), *pet. for recon. dismissed*, 32 FCC Rcd 4780 (2017); *see also Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Second Report and Order, 28 FCC Rcd 5741 (2013).

²³ Petition to Adopt Conditions.

²⁴ The Petition to Adopt Conditions and the LOA may be viewed on the FCC's website through ECFS at <https://ecfsapi.fcc.gov/file/1091656181109/Inmarsat%20LOA%20FINAL%2013Sept2019.pdf> or through the International Bureau Filing System by searching File No. ISP-PDR-20190528-00003 and accessing the "Other Filings related to this application" from the Document Viewing Area.

²⁵ 47 CFR § 1.5001(k)(2).

otherwise ensure continuing compliance with the provisions of section 310(b) of the Act.²⁶

Grant of the Petition is subject to the terms and conditions set forth in section 1.5004 of the Commission's rules,²⁷ including the requirement to obtain Commission approval before foreign ownership of IGHI exceeds the terms and conditions of this ruling.

Therefore, pursuant to sections 4(i) and (j), 214(a), 214(c), 303(r), 309, and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214(a), 214(c), 303(r), 309, 310(d), and sections 25.119 and 63.24 of the Commission's rules, 47 CFR §§ 25.119, 63.24, the Applications to transfer control of the licenses and authorizations listed in Attachment A are granted subject to the conditions set forth herein. Further, pursuant to sections 4(i) and (j), and 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), and 310(b)(4), and sections 1.5000 through 1.5004 of the Commission's rules, 47 CFR §§ 1.5000-1.5004, the Petition for Declaratory Ruling filed by Connect Bidco, ISP-PDR-20190528-00003, is granted subject to the conditions set forth herein. These actions are taken pursuant to the authority delegated under sections 0.51 and 0.261 of the Commission's rules, 47 CFR §§ 0.51, 0.261.

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 Kimberly Cook, Telecommunications and Analysis Division, International Bureau, (202) 418-7532 or Alyssa Roberts, Satellite Division, International Bureau, (202) 418-7276.

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²⁶ See 47 CFR § 1.5004, Note to paragraph (a).

²⁷ 47 CFR § 1.5004.

ATTACHMENT A**INTERNATIONAL SECTION 214 AUTHORIZATIONS**

The International Bureau grants the application for consent to the transfer of control of certain international section 214 authorizations listed below:

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20190603-00117	Inmarsat Group Holdings Inc.	ITC-214-19980121-00028 ITC-214-20090501-00194

SATELLITE EARTH STATION AUTHORIZATIONS

The International Bureau grants the applications for consent to the transfer of control of licenses under section 310(d) of the Act assigned the file numbers listed below:

<u>File Number</u>	<u>Authorization Holder</u>	<u>Call Sign</u>
SES-T/C-20190603-00672	Inmarsat Solutions (US) Inc.	E070114, E010047, E050249, E010048, E010049, E010050, E000180
SES-T/C-20190603-00673	ISAT US Inc.	E090032
SES-T/C-20190603-00674	ISAT US Inc.	E140029, E140114, E150097
SES-T/C-20190603-00675	Inmarsat Inc.	E080059, E120072, KA25
SES-T/C-20190603-00676	Inmarsat Inc.	E150028

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

The Petition for Declaratory Ruling has been assigned File No. ISP-PDR-20190528-00003.