EXHIBIT B

PUBLIC INTEREST STATEMENT

As discussed below, the proposed transfer of control of ARINC Incorporated ("ARINC") to Carlyle Partners IV Telecommunications, L.P. ("Carlyle Partners IV") will create substantial public interest benefits with no offsetting public interest harms. Therefore, the Commission should expeditiously approve the proposed transfer of control.

Pursuant to Section 310(d) of the Communications Act, the Commission may approve a proposed transfer of control if, after weighing "the potential public interest harms of the [transaction] against the public interest benefits," it concludes that, "on balance," doing so would serve the public interest, convenience, and necessity.[1] Accordingly, where the potential harms from a proposed transaction are great, the potential benefits must be great; conversely, where the potential harms (if any) are small

[1] *See, e.g., Loral Satellite, Inc. (Debtor-in-Possession) and Loral SpaceCom Corporation (Debtor in Possession), Assignors and Intelsat North America, LLC, Assignee*, Order and Authorization, 19 FCC Rcd 2404, 2411-12 (¶18) (2004) ("*Loral/Intelsat*"); *Comcast Corp., AT&T Corp., and AT&T Comcast Corp.*, Memorandum Opinion and Order, 17 FCC Rcd 23246, 23255 (¶ 26) (2002) ("AT&T/Comcast"); *Applications for Consent to The Transfer of Control of Licenses and Sect. 214 Authorizations by Time Warner Inc. and America Online, Inc., Transferors, AOL Time Warner Inc., Transferee*, Memorandum Opinion and Order, 16 FCC Rcd 6547, 6554 (¶ 19) (2001) ("AOL/Time Warner"); *Applications for Consent to The Transfer of Control of Licenses and Sect. 214 Authorizations from MediaOne Group, Inc. and AT&T Corp.*, Memorandum Opinion and Order, 15 FCC Rcd 9816, 9820 (¶ 8) (2000); *see also* 47 U.S.C. § 310(d).

or limited, the potential benefits need only be of a similar scale.[2] Transfer of control of ARINC from its current shareholders to Carlyle Partners IV will serve the public interest for several reasons. Among the factors the Commission considers in its public interest inquiry is whether the proposed transferee holds the requisite "citizenship, character, financial, technical and other qualifications" to control an FCC licensee.[3] Carlyle Partners IV is financially and technically qualified to hold ultimate control of the ARINC licenses. Carlyle Partners IV and its affiliated entities have direct investing experience in a wide variety of fields and have been active investors in the media and technology sectors in the United States. Indeed, the Commission has previously found Carlyle Partners III Hawaii, L.P., Carlyle Partners III Telecommunications, L.P. and CPIII Coinvestment, L.P.—affiliates of Carlyle Partners IV—qualified to control FCC licenses.[4]

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2 *See, e.g., AT&T/Comcast*, 17 FCC Rcd at 23,329 (¶ 218) (observing that "in balancing the public interest harms and benefits, we employ a sliding scale approach" that "examine[s] the likelihood and the magnitude of the potential public interest harms"); *TRW Inc., Transferor, and Northrop Grumman Corp., Transferee*, Order and Authorization, 17 FCC Rcd 24,625, 24,630 (¶ 15) (Int'l Bur., Sat. Div. 2002) ("*TRW"*) ("we find no potential harms, and thus, the Applicants' demonstration of potential benefits need not be as great").

3 *See Southern. New England Telecommunications. Corp., Transferor and SBC Communications, Inc., Transferee*, Memorandum Opinion and Order, 13 FCC Rcd 21292, 21305 (1998).

4 *See, e.g., Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC, Transferors, and Intelsat Holdings, Ltd., Transferee, Consolidated Application for Authority to Transfer Control of PanAmSat Licensee Corp. and PanAmSat H-2 Licensee Corp.*, Memorandum Opinion and Order, 21 FCC Rcd 7368 (2006) ("*Intelsat-PanAmSat Order*"); *Streamlined Domestic 214 Granted*, Public Notice, 19 FCC Rcd 15,604 (2004), *recon. denied,* 19 FCC Rcd 24,110 (2004).

The requested transfer of control will strengthen and rejuvenate ARINC through new ownership and a new capital structure. Carlyle Partners IV and its affiliated entities have a proven track record of enabling companies in which they invest to maximize their potential by optimizing their capital structures. By allowing ARINC access to new and efficient sources of capital, the transfer will significantly improve ARINC's financial position. Greater access to capital will also allow ARINC to expand its customer base and develop new products and services. Furthermore, the international presence, financial resources, and expertise of Carlyle Partners IV and its affiliated entities in the aerospace, defense and communications sectors will be instrumental in the continued expansion of ARINC's business.

Moreover, the proposed transaction does not raise any competitive concerns. Carlyle Partners IV has an ownership interest in Insight Communications, a cable television provider, and is affiliated with only two companies that presently have controlling or minority interests in FCC-regulated businesses: Carlyle Partners III Hawaii, L.P. and CPIII Coinvestment, L.P. in Hawaiian Telecom Communications, Inc. (wireline telephone); and Carlyle Partners III Telecommunications, L.P., and CPIII Coinvestment, L.P., in Insight Communications, Inc. (cable television). Thus, Carlyle Partners IV holds no investments in the type of communications licenses held by or services offered by ARINC.

Nor does the proposed transaction raise foreign ownership concerns. As a threshold matter, ARINC holds no common carrier, broadcast or aeronautical radio licenses. Thus, the specific foreign ownership restrictions set forth in Section 310(b) of the Communications Act are inapplicable to this transaction.[5]

Moreover, the proposed foreign ownership of ARINC is limited. No alien, foreign government or representative thereof, or foreign corporation will hold any of the ARINC licenses. The indirect participation in ARINC by non-US limited partners of Carlyle Partners IV will be approximately 35.8% percent in the aggregate, and these ownership interests will be widely dispersed.[6] Further, the non-US limited partners of Carlyle Partners IV are passive investors who are precluded by the applicable partnership agreement from participating in the management of Carlyle Partners IV or its investments and the rights of such non-U.S. limited partners do not extend beyond usual and customary investor protections.[7] It is therefore inconceivable that the extremely limited interests of any of the indirect alien investment participants in Carlyle Partners IV could exercise control over ARINC.

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5 Carlyle Partners IV, the transferee, answered "yes" to FCC Form 603, question 98, a question which apparently is intended to confirm compliance with Section 310(b)(3) of the Communications Act of 1934, as amended (the "Act"). Because more than one-fifth of the equity ownership of Carlyle Partners IV is owned by non-US limited partners (albeit insulated ones), Carlyle Partners IV answered "yes" to Question 98. However, ARINC Incorporated and its subsidiary Aeronautical Radio, Inc., the licensees, hold no common carrier radio licenses and thus this transaction fully comports with Section 310(b)(3) of the Act.

6 The largest equity interest in ARINC held by a non-US limited partner will be approximately 6.37% percent.

7 In particular, all non-US limited partners are insulated in accordance with the guidelines set forth by the Commission in *Reexamination of the Commission's Rules and Policies Regarding the Attribution of Ownership Interests in Broadcast, Cable Television and Newspaper Entities*, 58 Rad. Reg. 2d (P&F) 604, 613 (1985), modified on other grounds, 1 FCC Rcd 802 (1986).

As a final matter, approximately 99% of the 35.8% limited alien interests discussed above are organized in, or citizens of, WTO member countries. The Commission presumes that foreign investment by individuals or entities from WTO member countries raises no competitive concerns, even in the case of common carrier licenses.[8] The non-WTO limited partners will indirectly own only an approximate one percent equity interest in ARINC.

For the reasons stated above, the transfer of ARINC interests from the current shareholders to Carlyle Partners IV will benefit the public interest. Thus, the parties to this application respectfully request Commission to approval of the transfer of control of ARINC's associated licenses, authorizations and registrations.

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[8] *Loral/Intelsat*, 19 FCC Rcd at 2414 (¶ 22) (citing *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23,891, 23,896, 23,913, 23,940 (1997)).