

OWNERSHIP STATEMENT
(Response to Item 34)

Pursuant to Section 310(b)(4) of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 310(b)(4), Horizon Mobile Communications, Inc. (“Applicant”) hereby requests a determination that the public interest would not be served by prohibiting the indirect foreign ownership of Applicant in excess of the 25% benchmark.

I. Factual Background

Applicant is a wholly owned subsidiary of SatCom Distribution, Inc. (“SatCom Inc.”), a Delaware corporation located at 239 Main Street, Suite 102, East Greenville, Pennsylvania 18041. SatCom Inc., in turn, is a wholly owned subsidiary of SatCom Distribution Ltd. (“SatCom Ltd.”), a company organized under the laws of the United Kingdom. SatCom Ltd., in turn, is a wholly owned subsidiary of SatCom Group Holdings Plc (“SatCom Holdings”), a public company organized under the laws of the United Kingdom. Four shareholders hold more than 10% of the shares of SatCom Holdings: Adam C. Thompson, Alexandra M. Johnson, and Martin C. Ward, each of whom holds 19.04%, and Mark B. White, who holds 19.43%. Mr. Thompson is a U.S. citizen; Ms. Johnson, Mr. Ward, and Mr. White all are British citizens. The United Kingdom, where SatCom Holdings, Applicant’s ultimate parent corporation, is organized and headquartered, is a WTO Member country.

SatCom Inc. is the parent company of World Communication Center (“WCC”), which holds a Section 214 authorization from the Commission. *See* File No. ITC-T/C-20060727-00368. WCC is regulated as a non-dominant carrier.

Legal Framework

The Commission considers the indirect foreign ownership of common carrier Title III applicants pursuant to its public interest analysis under Section 310(b)(4) of the Act and the Commission's foreign ownership policies adopted in its *Foreign Participation Order*.¹ As part of that analysis, the Commission considers any national security, law enforcement, foreign policy or trade policy concerns raised by indirect foreign investment.²

Section 310(b)(4) of the Act establishes a 25% benchmark for investment by foreign individuals, corporation, and governments in entities that control U.S. common carrier radio licensees. Section 310(b)(4) also grants the Commission discretion to allow higher levels of foreign ownership if it determines that such ownership is not inconsistent with the public interest. Thus, as the Commission has noted, "a foreign government, individual, or corporation may own, directly or indirectly, up to 100 percent of the stock of a U.S. holding company that holds a controlling interest in a common carrier or aeronautical radio licensee provided the Commission does not find the foreign ownership to be inconsistent with the public interest."³

In the *Foreign Participation Order*, the Commission unanimously determined that the public interest would be served by permitting greater investment by individuals and

¹ *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997) ("*Foreign Participation Order*").

² See, e.g., *In the Matter of Motient Corp. and Subsidiaries, Transferor, and SkyTerra Communications, Inc., Transferee*, DA 06-1872 (Int'l Bur., rel. Sept. 15, 2006) ("*Motient/SkyTerra*"), *Petition of TelCove, Inc. for a Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act of 1934, as amended*, 21 FCC Rcd 3982 (2006) ("*TelCove*").

³ "Foreign Ownership Guidelines For FCC Common Carrier and Aeronautical Radio Licenses," DA 04-3610 (Int'l Bur., rel. Nov. 17, 2004), p. 10.

entities from WTO Member countries in U.S. common carrier and aeronautical radio licenses.⁴ Accordingly, it afforded a rebuttable presumption by which the Commission presumes that foreign investment from WTO Member countries does not pose competitive concerns in the U.S. market.⁵

II. Analysis

Applicant submits that, pursuant to the above legal framework, the Commission should determine that the public interest would not be served by prohibiting the indirect foreign ownership of Applicant in excess of the 25% benchmark. As noted above, all foreign equity and voting interests are held by an entity that is headquartered and has its principal place of business in the United Kingdom, a WTO Member country. Accordingly, Applicant is entitled to a rebuttable presumption that its indirect foreign ownership would not pose a risk to competition in the U.S. market, and there is no evidence to rebut this presumption. Consistent with applicable Commission precedent,⁶ Applicant respectfully submits that it would not serve the public interest to prohibit the indirect foreign ownership described herein.

⁴ *Foreign Participation Order*, ¶50.

⁵ *Id.*

⁶ *See, e.g., Motient/SkyTerra, supra; TelCove, supra.*