

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In re Application of )  
 )  
Stratos Offshore Services Company and )  
Stratos Communications, Inc. )  
 )  
Petition for Declaratory Ruling Under Section )  
310(b)(4) of the Communications Act of 1934, )  
as Amended )

To: The Commission

**PETITION FOR DECLARATORY RULING**

Stratos Offshore Services Company (“Stratos Offshore”) and Stratos Communications, Inc. (“SCI” and, together with Stratos Offshore, “Stratos”) respectfully submit this request for a declaratory ruling, pursuant to Section 310(b)(4) of the Communications Act, as amended (the “Act”). Inmarsat plc (Stratos’ ultimate parent company) is undertaking a *pro forma* internal corporate reorganization of various of its wholly-owned subsidiaries for banking compliance, tax efficiency and other business reasons. In connection with that reorganization, seven additional wholly-owned subsidiaries of Inmarsat will be inserted into the ownership chain between Inmarsat and Stratos. Five of those entities were formed in England and Wales; the remaining two are domestic entities formed in the State of Delaware. Stratos requests that the Commission confirm that its prior approval of the indirect foreign ownership of Stratos Offshore and SCI by Inmarsat pursuant to Section 310(b)(4) applies to the ownership structure of Stratos Offshore and SCI post-consummation of the *pro forma* reorganization or, to the extent necessary,

approve Stratos' post-consummation foreign ownership pursuant to Section 310(b)(4) of the Act.<sup>1</sup>

### ***Background***

Stratos Offshore holds international Section 214 authority, provides domestic telecommunications services pursuant to Section 214 of the Act, and holds common carrier earth station and terrestrial wireless licenses. SCI holds common carrier earth station licenses. Stratos Offshore and SCI are ultimately owned 100 percent by Inmarsat, a widely-held public company formed under the laws of England and Wales, through a series of wholly owned intermediate companies formed in the United States, Canada and England and Wales. In connection with the transfer of control of Stratos Offshore and SCI to Inmarsat, the Commission determined that these intermediate entities have their principal places of business in Canada, the United Kingdom, or the United States, all of which are WTO Member countries, and that at least 75 percent of Inmarsat's equity and voting interests are properly ascribed to the United States and other WTO Member countries. Accordingly, the Commission found that Stratos Offshore and SCI were entitled to a rebuttable presumption that their indirect foreign ownership resulting from the transaction would not pose a risk to competition in the U.S. market.<sup>2</sup>

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<sup>1</sup> Stratos Offshore and SCI acknowledge that, consistent with the Commission's prior approval of their indirect foreign ownership, any application or extension of that approval to Stratos' post-consummation foreign ownership would be conditioned upon Inmarsat's compliance with the Network Security Agreement between Inmarsat plc, Stratos Global Corp. ("Stratos Global"), the Department of Justice ("DOJ") and the Federal Bureau of Investigation ("FBI"), dated September 23, 2008, and Stratos Global's continued compliance with the Network Security Agreement between Stratos Global, the DOJ, the FBI and the Department of Homeland Security, dated August 7, 2001 and Amendment No. 1 to that agreement, dated August 14, 2007.

<sup>2</sup> *Robert M. Franklin, Transferor and Inmarsat, PLC, Transferee, Consolidated Application for Consent to Transfer of Control of Stratos Global Corporation and Its Subsidiaries from an Irrevocable Trust to Inmarsat, plc*, Memorandum Opinion and Order and Declaratory Ruling, 24 FCC Rcd 449, 479-80, ¶ 69 (IB 2009) ("*Inmarsat Transfer Order*").

The Commission authorized the foreign ownership of Stratos Offshore and SCI by the intermediary companies and Inmarsat “individually, up to and including 100 percent of the equity and voting interests” and by Inmarsat’s shareholders “collectively, up to and including 100 percent of the equity and voting interests.”<sup>3</sup> The Commission further allowed Stratos Offshore and SCI to accept up to and including an additional, aggregate 25 percent indirect equity and/or voting interests from other foreign investors without prior Commission approval, provided that Stratos Offshore and SCI secure prior Commission approval before their indirect equity and/or voting interests from non-WTO Member countries exceeds 25 percent, or before any foreign individual or entity, other than those already approved, acquires an indirect equity and/or voting interest in excess of 25 percent.<sup>4</sup>

Stratos Offshore and SCI note that the five foreign intermediate entities that are being added to the ownership chain between Stratos Offshore, SCI and Inmarsat are already-existing wholly-owned subsidiaries of Inmarsat, will continue to be wholly-owned subsidiaries of Inmarsat post-closing, and were all formed in England and Wales, as was Inmarsat. However, out of an abundance of caution, Stratos Offshore and SCI respectfully request that the Commission confirm that its prior approval of their foreign ownership by Inmarsat extends to the addition of these five intermediate entities into their ownership chain or, to the extent necessary, expressly grant approval of the foreign ownership of Stratos Offshore and SCI resulting from the new ownership chain contemplated by the *pro forma* reorganization.

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<sup>3</sup> *Id.* at 480, ¶ 70.

<sup>4</sup> *Id.*

### ***Description of Pro Forma Reorganization and Foreign Ownership***

Prior to Phase 1 of the *pro forma* reorganization, which was completed on June 18, 2010 pursuant to applicable FCC consent,<sup>5</sup> Stratos Offshore and SCI were directly held by Stratos Holdings, Inc. (“Stratos Holdings”) (a Delaware corporation), which was wholly owned by Stratos Wireless Inc. (“Stratos Wireless”) (a Canadian corporation). Stratos Wireless was wholly owned by Stratos Global Corp. (“Stratos Global”) (a Canadian corporation), which was wholly owned by CIP Canada Investment Inc. (“CIP Canada”) (also a Canadian corporation). CIP Canada is wholly owned by CIP UK Holdings Limited (“CIP UK Holdings”), which is a wholly-owned subsidiary of Inmarsat Finance III Limited (“Finance III”), which, in turn, is wholly owned by Inmarsat. Each of CIP UK Holdings, Finance III, and Inmarsat is a company formed under the laws of England and Wales. Each of the entities in the organizational structure between Stratos Offshore and SCI, and up to and including Inmarsat, holds 100 percent of the equity and 100 percent of the voting interests of the entity below it. Inmarsat is a widely-held public company, listed on the London Stock Exchange.

In connection with Phase 1 of the reorganization, three of the intermediate companies in Stratos’ ownership chain merged, with only one of those intermediate entities surviving. Specifically, Stratos Wireless merged with its direct parent company Stratos Global, and then merged with that entity’s direct parent company CIP Canada. Stratos Wireless is the surviving entity from those mergers. The net effect of those mergers is that Stratos Global and CIP Canada have been removed from the chain of ownership between Inmarsat and Stratos

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<sup>5</sup> See FCC File Nos. 0004255150, SES-T/C-20100521-000638, SES-T/C-20100521-000639, SES-T/C-20100521-000642, and SES-T/C-20100521-000643.

Offshore and SCI, and each of those licensees remains under the ultimate ownership and control of Inmarsat.

Phase 2 of the reorganization will involve the following steps:

- By a succession of share for share exchanges, Finance III will be passed down from Inmarsat to Inmarsat Holdings Ltd, then to Inmarsat Group Ltd, then to Inmarsat Investments Ltd, and finally to Inmarsat Ventures Ltd. All of these entities already are wholly-owned subsidiaries of Inmarsat, but they currently reside outside of the direct chain of ownership between Inmarsat and Stratos. Subject to the receipt of prior FCC approvals, this drop-down of Finance III in the Inmarsat corporate structure will occur on or before June 30, 2010. The result of this drop-down is that Finance III will have four intermediate companies between itself and its ultimate parent, Inmarsat. Each of these intermediate entities was formed in England and Wales.
- Approximately one week after the drop-down of Finance III described above, Stratos Wireless will transfer 100% of the shares of Stratos Holdings up to CIP UK Holdings. As a result, Stratos Holdings will become a direct subsidiary of CIP UK Holdings, and Stratos Wireless will be removed from the ownership chain of Stratos Offshore and SCI.
- On or around that same day, CIP UK Holdings will transfer 100% of the shares in Stratos Holdings to Inmarsat Group Holdings Inc (“Inmarsat Group Holdings”), in return for which CIP UK Holdings will receive an issue of new common shares of Inmarsat Group Holdings, and will continue to hold 100% of the newly increased share capital. Inmarsat Group Holdings will then transfer 20% of the shares of Stratos Holdings to Inmarsat US Services LLC (“US Services”), a subsidiary of Inmarsat Group Holdings. Inmarsat US Investments Limited (“US Investments”) will subsequently acquire 100% of a newly issued class of preferred shares in Stratos Holdings, which will be the only preferred shares issued. The net result of this series of transfers, all of which will occur on or around the same day, is that (i) Inmarsat Group Holdings (a Delaware entity), US Services (a Delaware entity), and US Investments (an England and Wales entity) will be added as intermediate companies between Stratos Holdings and CIP UK Holdings, and (ii) the shares of Stratos Holdings will be held by Inmarsat Group Holdings (80% of the common shares), US Services (20% of the common shares), and US Investments (100% of the newly created class of the preferred shares). Once again, all of these entities are presently, and will continue to be, wholly-owned subsidiaries of Inmarsat. They are simply being moved around within the Inmarsat organizational structure.

Three organizational charts are attached to this exhibit, reflecting (i) the ownership chain of Stratos Offshore and SCI prior to Phase 1 of the reorganization, (ii) the ownership of Stratos Offshore and SCI following consummation of Phase 1 of the reorganization, which was completed on June 18, 2010, and (iii) the proposed ownership of Stratos Offshore and SCI following consummation of Phase 2 of the reorganization.

### ***Public Interest Statement***

The public interest will be served by confirmation that the prior approval of Stratos' foreign ownership by Inmarsat extends to Stratos' ownership structure post-consummation of the reorganization or, to the extent necessary, by the approval of the indirect foreign ownership of Stratos resulting from the *pro forma* reorganization. In the *Foreign Participation Order*, the Commission concluded that allowing additional foreign investment in common carrier wireless licensees beyond the 25% benchmark of Section 310(b)(4) will promote competition in the U.S. market, thereby serving the public interest.<sup>6</sup> The Commission, therefore, adopted a presumption in favor of allowing such investment if the investment is from entities organized under the laws of WTO Members.<sup>7</sup> Since adopting the *Foreign Participation Order*, the Commission consistently has permitted non-U.S. individuals and entities to hold up to 100 percent of the equity and voting power in holders of FCC authorizations.<sup>8</sup> In fact, in its order approving the transfer of control of Stratos Offshore and SCI to Inmarsat, the Commission permitted up to 100 percent foreign ownership of Stratos Offshore and SCI by Inmarsat and its shareholders, and by each of the intermediate entities in the ownership chain between Inmarsat and Stratos Offshore and SCI.<sup>9</sup>

As the Commission previously concluded, the principal places of business of Inmarsat and its subsidiary companies that hold interests in Stratos Offshore and SCI are the

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<sup>6</sup> *Foreign Participation Order*, 12 FCC Rcd at 23940, ¶ 111.

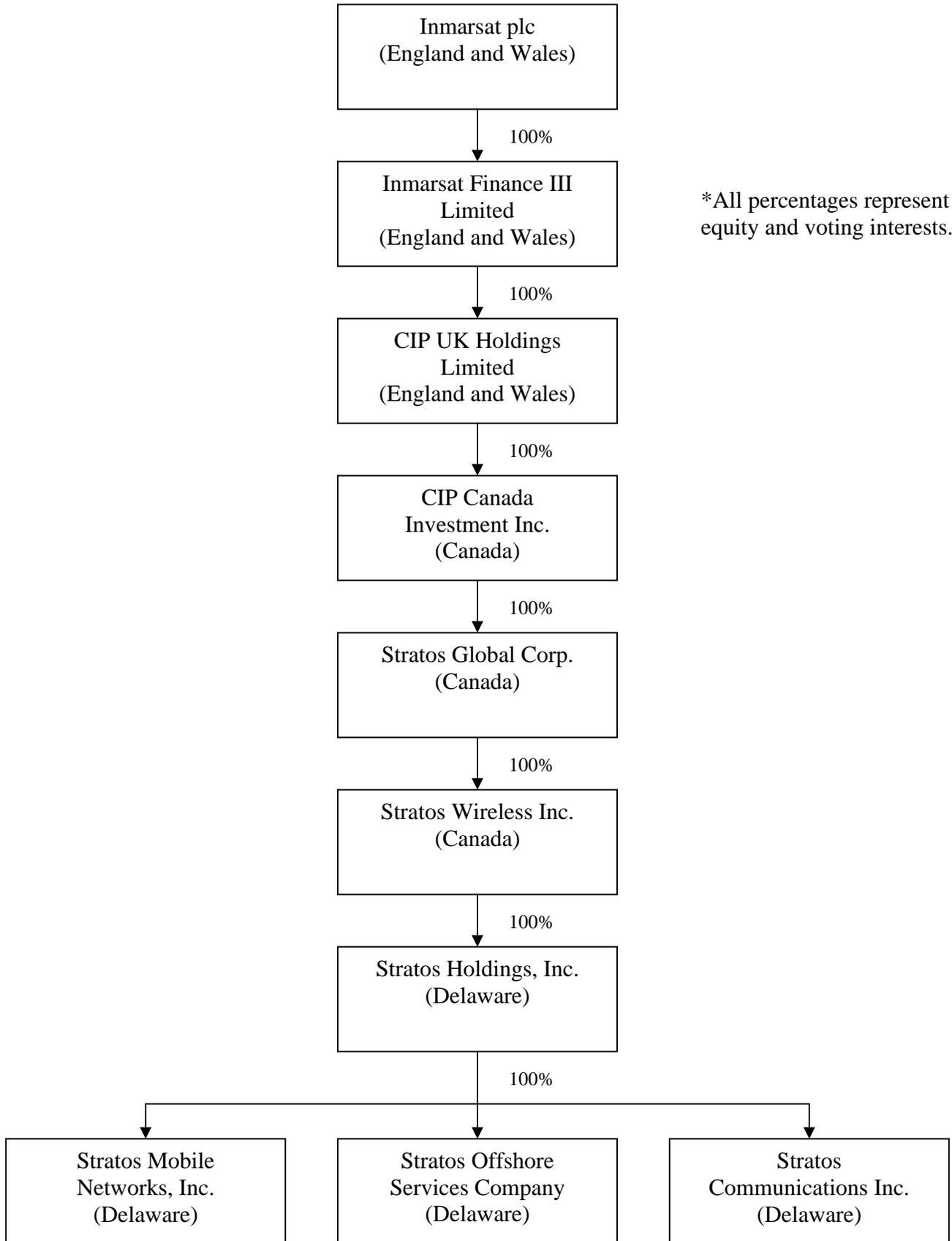
<sup>7</sup> *Id.* at 23913 ¶ 50, 23940 ¶¶ 111-12.

<sup>8</sup> *See, e.g., Intelsat, Ltd., Transferor, and Zeus Holdings Ltd., Transferee*, 19 FCC Rcd 24820 (2004); *Applications of Comsat General Corporation*, 19 FCC Rcd 21216 (2004); *Voicestream Wireless Corporation*, 16 FCC Rcd 9779 (2001).

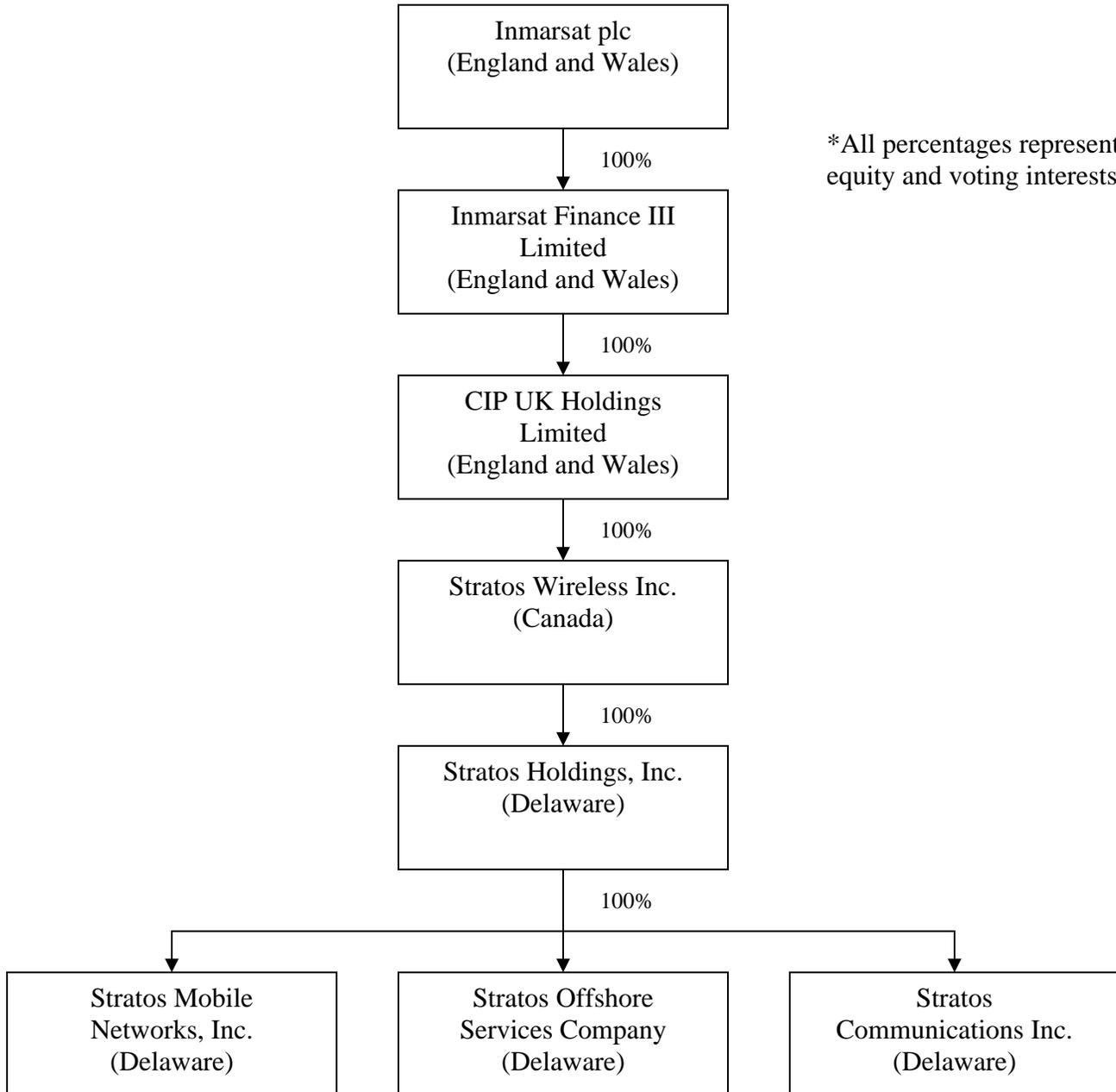
<sup>9</sup> *See Inmarsat Transfer Order*, 24 FCC Rcd at 480, ¶ 70.



**OWNERSHIP AND CONTROL OF THE STRATOS LICENSEES  
PRIOR TO PHASE 1 OF THE REORGANIZATION**



**OWNERSHIP AND CONTROL OF THE STRATOS LICENSEES POST  
CONSUMMATION OF PHASE 1 OF THE REORGANIZATION**



**PROPOSED OWNERSHIP AND CONTROL OF THE STRATOS LICENSEES  
POST CONSUMMATION OF PHASE 2 OF THE REORGANIZATION**

