

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

In the matter of)
)
TERRESTAR LICENSE INC.) FCC File No.
)
Application for authority pursuant to)
Section 214 of the Communications Act)
of 1934, as amended, to provide)
international communications services)
via the TerreStar-1 satellite)

Application

TerreStar License Inc. (“TerreStar License”), pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18 of the Federal Communication Commission’s (“FCC”) Rules,¹ hereby requests authority pursuant to Section 63.18(e)(3),² to provide international communications services using the TerreStar-1 satellite.

TerreStar License’s provision of common carrier service will foster additional competition in the international telecommunications market, including the mobile satellite service market,³ which will, in turn, benefit consumers by putting downward pressure on prices and increasing the number of service options available in the market. Accordingly, grant of this application will serve the public interest, convenience and necessity.

TerreStar License is a wholly-owned subsidiary of TerreStar Networks Inc. (“TerreStar”), which in turn is an indirect, majority-owned subsidiary of

¹ 47 C.F.R. § 63.18.

² 47 C.F.R. § 63.18(e)(3).

³ The Commission has found that mobile satellites benefit consumers because, among other things, they have “the ability to serve areas of the country that are too remote or sparsely populated to be served by terrestrial land mobile systems . . . meet rural public safety needs, and provide emergency communications to any area in times of emergencies and natural disasters.” *Satcom Systems, Inc.*, File No. 1217-SSA-98 at ¶ 5 (rel. July 20, 1998).

TerreStar Corporation (“TerreStar Corp.”). TerreStar License holds a letter of intent from the FCC to operate the geostationary-orbit Mobile Satellite Service space station TerreStar-1 in the United States. TerreStar holds a license, which it plans to assign to TerreStar License, to provide common carrier service via dual-mode terminals that can be used to communicate with TerreStar-1 and with ancillary terrestrial component (“ATC”) base stations.⁴ TerreStar-1 was launched on July 1, 2009, and placed into operation on July 19, 2009.

Pursuant to Section 63.18 of the Commission’s rules, TerreStar License submits the following information in support of the instant application:

- (a) The name, address, and telephone number of the applicant:

TerreStar License Inc.
12010 Sunset Hills Road
Reston, VA 20190
703-483-7800

- (b) TerreStar License is incorporated under the laws of the State of Delaware.

- (c) Correspondence relating to this application should be directed to:

Douglas Brandon
TerreStar License Inc.
12010 Sunset Hills Road
Reston, VA 20190
703-483-7800

with a copy to:

Joseph A. Godles, Esq.
Goldberg, Godles, Wiener & Wright
1229 19th Street, N.W.
Washington, D.C. 20036
202-429-4900

- (d) TerreStar License does not hold and has never held any Section 214 authorizations.

⁴ See Order and Authorization, *TerreStar Networks Inc.*, DA 10-60 (Jan. 13, 2010).

- (e) TerreStar License is applying for Section 214 authority pursuant to Section 63.18(e)(3) of the Commission's rules to provide mobile satellite services using the Canadian-licensed TerreStar-1 satellite. Canada is a WTO country, and as stated above the Commission previously determined it is in the public interest for TerreStar to use dual-mode terminals to provide common carrier services via TerreStar-1.⁵ TerreStar License requests authority to serve all countries not on the exclusion list.

TerreStar License hereby certifies that it will comply with the terms and conditions contained in Sections 63.21, 63.22 and 63.23 of the Commission's rules.

- (f) TerreStar License is applying separately for authority to operate as a facilities-based carrier pursuant to the terms and conditions of Section 63.18(e)(1) of the Commission's Rules, 47 C.F.R. 63.18(e)(1), and as a resale carrier pursuant to the terms and conditions of Section 63.18(e)(2) of the Commission's Rules.⁶ However, these applications are eligible for streamlined processing.
- (g) TerreStar License will use previously authorized facilities to provide the services request by the application and, therefore, it is categorically excluded from environmental assessment pursuant to Section 1.1306 of the Commission's rules.
- (h) As stated above, TerreStar License is a wholly-owned subsidiary of TerreStar Networks, Inc., which is a majority owned (88.4%) subsidiary of TerreStar Corporation. SkyTerra Investors LLC, has an 11.1% equity interest in TerreStar Networks, Inc. There are two ten percent or greater equity holders of TerreStar Corporation - Harbinger Capital Partners Funds,⁷ which has a 43.58% equity interest, and EchoStar Corporation, which has a 16.41% equity interest.

TerreStar License holds a Letter of Intent authorization from the FCC to operate TerreStar-1 in the United States. TerreStar Networks (Canada) Inc., has been authorized by Industry Canada to operate

⁵ See Order and Authorization, *supra*, TerreStar Networks Inc., DA 10-60 (Jan. 13, 2010).

⁶ 47 C.F.R. § 63.18 (e)(2).

⁷ The Harbinger Capital Partners Funds consist of Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P.

TerreStar-1 in Canada.⁸ On December 23, 2009, the Commission granted TerreStar's Petition for Declaratory Ruling declaratory ruling under Section 310(b)(4) to permit indirect foreign ownership of TerreStar in excess of 25 per cent.⁹

There are no interlocking directorates with a foreign carrier.

- (i) TerreStar License is affiliated with a foreign carrier, TerreStar Networks (Canada) Inc. ("TerreStar Canada"), which has been authorized by Industry Canada to operate TerreStar-1 in Canada. Canada is a WTO member.

TerreStar Canada has two shareholders: TerreStar Networks Holdings (Canada) Inc. ("TerreStar Canada Holdings"), which has an 80 percent ownership interest, and TerreStar, which has a 20 percent ownership interest. TerreStar Canada Holdings has two shareholders: 4491165 Canada Inc., which has a 66-2/3 percent interest, and TerreStar, which has a 33-1/3 percent interest. Accordingly, in total 4491165 Canada Inc. has a 53-1/3 percent interest in TerreStar Canada (*i.e.*, a 66-2/3 percent interest in the holding company that owns 80 percent of TerreStar Canada) and TerreStar has a 46-2/3 percent ownership interest in TerreStar Canada (*i.e.*, a 20 percent direct interest in TerreStar Canada and a 33-1/3 percent interest in the holding company that owns 80 percent of TerreStar Canada).

- (j) The applicant does not seek to provide international telecommunications services to any destination country for which any of the following are true:
 1. the applicant is a foreign carrier in a destination country;
 2. the applicant controls a foreign carrier in a destination country;
 3. any entity that owns more than twenty-five percent of the applicant, or that controls the applicant, also controls a foreign carrier in a destination country;

⁸ See Letter from Michael D. Connolly, Industry Canada, to Steven Nichols, TerreStar Networks (Canada) Inc., File No. 46215-1 (113554 CL) (April 27, 2007).

⁹ *TerreStar Networks, Inc.*, Order and Declaratory Ruling, 24 FCC Rcd 14664, DA 09-2628 (Int'l Bur. 2009).

4. two or more foreign carriers (or carriers that control the foreign carriers) own more than twenty-five percent, in the aggregate, of the applicant and are parties to, beneficiaries of, have a contractual relation affecting the provision or marketing of U.S.-international services in the United States.
- (k) N/A
- (l) To the extent that TerreStar License resells the international switched services of an unaffiliated U.S. carrier to a country where it is a foreign carrier or is affiliated with a foreign carrier, it satisfies the requirements of Section 63.10(a)(3) of the Commission's rules because, as shown in subpart (p) below, its affiliate in Canada has significantly less than 50 percent of the international transport and local access markets in that country.
- (m) As set forth in subparts (l) and (p), TerreStar License is presumptively non-dominant under Section 63.10(a)(3) of the Commission's rules.
- (n) TerreStar License hereby certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route and it will not enter into such agreements in the future.
- (o) TerreStar License certifies that neither it nor any party to this application is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.
- (p) TerreStar License is affiliated with a foreign carrier, TerreStar Networks (Canada) Inc. ("TerreStar Canada"), which has been authorized by Industry Canada to operate TerreStar-1 in Canada. TerreStar Canada has not begun commercial operations and by definition, therefore, has significantly less than 50 percent of the international transport and local access markets in Canada. Accordingly, TerreStar License is presumptively non-dominant¹⁰ and qualifies for streamlined processing.¹¹

¹⁰ 47 C.F.R. § 63.10(a)(3).

¹¹ 47 C.F.R. § 63.12(c)(1)(iv).

Accordingly, and for the reasons stated above, TerreStar License submits that it is qualified to provide the services for which it requests authority herein, and that the public interest would be served by grant of this application.

Respectfully submitted,

TERRESTAR LICENSE INC.

By: /s/ Douglas I. Brandon
Print Name: Douglas I. Brandon
Title: General Counsel, Secretary and Senior
 Vice President
Date: May 12, 2010

Of Counsel

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