

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 )  
facilities-based and resale international )  
communications services )

**Application**

TerreStar License Inc. (“TerreStar License”), pursuant to Section 214 of the Communications Act of 1934, as amended,<sup>1</sup> and Section 63.18 of the Federal Communication Commission’s (“FCC”) Rules,<sup>2</sup> hereby requests global authority to: (1) operate as a facilities-based carrier pursuant to Section 63.18(e)(1)<sup>3</sup>; and (2) operate as a resale carrier pursuant to Section 63.18(e)(2).<sup>4</sup>

TerreStar License’s provision of common carrier service will foster additional competition in the international telecommunications market, including the mobile satellite service market,<sup>5</sup> which will, in turn, benefit consumers by putting downward pressure on prices and increasing the number

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<sup>1</sup> 47 U.S.C. § 214.

<sup>2</sup> 47 C.F.R. § 63.18.

<sup>3</sup> 47 C.F.R. § 63.18(e)(1).

<sup>4</sup> 47 C.F.R. § 63.18(e)(2).

<sup>5</sup> 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).

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 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.<sup>6</sup> 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

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<sup>6</sup> See Order and Authorization, *TerreStar Networks Inc.*, DA 10-60 (Jan. 13, 2010).

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.
- (e) TerreStar License is applying 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.<sup>7</sup> 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 has filed a separate application to operate, pursuant to Section 63.18(e)(3),<sup>8</sup> as a carrier providing service via the TerreStar-1 mobile satellite service space station. However, at this time TerreStar does not have reason to believe that this application would not be 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 -

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<sup>7</sup> 47 C.F.R. § 63.18 (e)(2).

<sup>8</sup> 47 C.F.R. § 63.18(e)(3).

Harbinger Capital Partners Funds,<sup>9</sup> 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 TerreStar-1 in Canada.<sup>10</sup> 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.<sup>11</sup>

There are 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:

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<sup>9</sup> The Harbinger Capital Partners Funds consist of Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P.

<sup>10</sup> See Letter from Michael D. Connolly, Industry Canada, to Steven Nichols, TerreStar Networks (Canada) Inc., File No. 46215-1 (113554 CL) (April 27, 2007).

<sup>11</sup> *TerreStar Networks, Inc.*, Order and Declaratory Ruling, 24 FCC Rcd 14664, DA 09-2628 (Int'l Bur. 2009).

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;
  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-dominant<sup>12</sup> and qualifies for streamlined processing.<sup>13</sup>

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

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

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<sup>12</sup> 47 C.F.R. § 63.10(a)(3).

<sup>13</sup> 47 C.F.R. § 63.12(c)(1)(iv).