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JAN 26 2001

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January 26, 2001

RECEIVED  
FEB - 1 2001  
Telecom Division  
International Bureau

BY HAND

Ms. Magalie Roman Salas, Secretary  
c/o Federal Communications Commission  
International Bureau -- Telecommunications  
P. O. Box 358115  
Pittsburgh, Pennsylvania 15251-5115

Re: Application of Liberty Media Corporation and AT&T for  
Consent to Transfer of Control Pursuant to Section 214  
of the Communications Act \_\_\_\_\_

Dear Ms. Salas:

Enclosed on behalf of Liberty Media Corporation ("Liberty") and AT&T Corp. ("AT&T") are an original and six copies of the above-referenced application. The application seeks consent to the transfer of control of a Section 214 authorization held by Catalina Transmission Corp.

Also enclosed is a check in the amount of \$815 made payable to the Federal Communications Commission to cover the filing fee, along with a completed FCC Form 159. Please date-stamp and return the enclosed extra copy of this application in the attached self-addressed, stamped envelope.

If there are any questions regarding this filing, please call me at (202) 623-5701.

Respectfully submitted,



Thomas F. Bardo  
Counsel for Liberty Media Corporation

TFB:kdd  
Enclosures

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE

Approved by OMB  
3060-0589

Page No 1 of 1

(1) LOCKBOX #  
358115

SPECIAL USE  
FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)  
CARTER, LEDYARD & MILBURN

(3) TOTAL AMOUNT PAID (U.S. Dollars and  
815.00

(4) STREET ADDRESS LINE NO. 1  
1401 Eye Street, N. W., Suite 300

(5) STREET ADDRESS LINE NO. 2

(6) CITY  
Washington

(7) STATE  
D.C.

(8) ZIP CODE  
20005

(9) DAYTIME TELEPHONE NUMBER (include area code)  
(202) 898-1515

(10) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN) (12) PAYER (TIN)  
134986540

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B  
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

(13) APPLICANT NAME  
LIBERTY MEDIA CORPORATION

(14) STREET ADDRESS LINE NO. 1  
9197 South Peoria Street

(15) STREET ADDRESS LINE NO. 2

(16) CITY  
Englewood

(17) STATE  
CO

(18) ZIP CODE  
80112

(19) DAYTIME TELEPHONE NUMBER (include area code)  
(720) 875-5406

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN) (22) APPLICANT (TIN)  
841146903

COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID (24A) PAYMENT TYPE CODE (25A) QUANTITY  
CUT 1

(26A) FEE DUE FOR (PTC) (27A) TOTAL FEE (29A) FCC CODE 2  
815.00 815.00

(28A) FCC CODE 1 (29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID (24B) PAYMENT TYPE CODE (25B) QUANTITY

(26B) FEE DUE FOR (PTC) (27B) TOTAL FEE (29B) FCC CODE 2

(28B) FCC CODE 1 (29B) FCC CODE 2

SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT  
I, Thomas F. Bardo, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.  
SIGNATURE Thomas Bardo DATE 1/22/01

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31) MASTERCARD/VISA ACCOUNT NUMBER:  
| | | | | | | | | | | | | | | | | | | | | |

EXPIRATION  
| | | | |

MASTERCARD  
 VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.  
SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

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

\_\_\_\_\_) )  
In re Application of ) )  
 ) )  
Catalina Transmission Corp., ) )  
 ) )  
AT&T Corp, (Transferor) ) )  
 ) )  
and ) )  
 ) )  
Liberty Media Corporation (Transferee) ) )  
 ) )  
 ) )  
For Authority to Transfer Control of a Company ) )  
Holding a Section 214 Authorization ) )  
\_\_\_\_\_ ) )

File No. ITC-01-\_\_\_\_\_

APPLICATION FOR AUTHORITY TO TRANSFER CONTROL  
OF INTERNATIONAL SECTION 214 AUTHORIZATION  
HELD BY CATALINA TRANSMISSION CORP.

Pursuant to Section 214 of the Communications Act of 1934, as amended (47 U.S.C. §214), and Section 63.18 of the Federal Communications Commission's rules (47 C.F.R. §63.18), Catalina Transmission Corp. ("Catalina"), AT&T Corp. ("AT&T") and Liberty Media Corporation ("Liberty") apply for authority to transfer control of Catalina from AT&T to Liberty as described in detail below. Catalina currently holds a Section 214 authorization to establish and operate channels of communication between licensed U.S. earth stations and various transborder locations via domestic U.S. satellites and non-U.S. satellites. See File Nos. ITC-94-083, DA 94-315 (rel. April 20, 1994); ITC-96-624(TC), DA 97-26 (rel. Jan. 9, 1997), ITC-T/C-199990120-000064 (rel. Mar. 25, 1999) and ITC-T/C-19991227-00820, DA. No. 00-361 (rel. Feb. 24, 2000).



I. Description of the Parties and the Proposed Transaction

Catalina is an earth station operator that holds authority under Section 214 to extend existing service to transborder locations using U.S. domestic and non-U.S. satellites. Catalina, through intervening subsidiaries, is a wholly-owned subsidiary of Liberty Livewire Corporation (“Liberty Livewire”). Liberty Livewire is a majority-owned subsidiary of Liberty.

Although Liberty is an indirect wholly-owned subsidiary of AT&T, it is a member of a separately-managed business group, Liberty Media Group (“LMG”). LMG was established in March of 1999 in connection with AT&T’s acquisition of Tele-Communications, Inc. (“TCI”). Although AT&T and its subsidiaries own 100% of the stock of Liberty and other entities included within LMG, AT&T’s ownership of LMG has been structured to distinguish the economic interests of the holders of AT&T common stock and the holders of LMG tracking stock and to provide LMG with operational independence from AT&T. For instance, Liberty is operated by its own separate board of directors and executive officers. A majority of the members of the Liberty board and Liberty’s executive officers are persons who held such positions prior to AT&T’s acquisition of TCI and who are not otherwise employees of AT&T.

On November 15, 2000, AT&T announced that its Board of Directors had voted to spin-off LMG. AT&T expects to effect the spin-off by redeeming all the outstanding shares of LMG tracking stock in exchange for shares of Liberty (or another corporation<sup>1</sup> that will own, directly or indirectly through one or more subsidiaries, all the assets included in LMG), which

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<sup>1</sup> Although the parties currently expect that Liberty will be the entity that is spun off, it is possible that the spun-off entity will be another existing member of LMG into which Liberty will be merged, which then will be renamed Liberty Media Corporation.

then will be an independent publicly held company. Liberty is filing this application out of an abundance of caution to seek Commission consent to the transfer of de jure ownership of Liberty from AT&T to the holders of LMG tracking stock and to any transfer of control of Catalina that might be deemed to result from that change in de jure ownership.

## II. Public Interest Showing

The proposed transfer of control is one part of a larger transaction which will result in the establishment of LMG as a separate publicly-traded company. The spin-off should help the public markets to better evaluate LMG as a truly independent enterprise, thereby enhancing LMG's ability to raise debt and equity capital and to use its stock as currency in acquiring, merging or partnering with other companies. In addition, it would alleviate competitive and other concerns that may arise from the differing business directions of AT&T and LMG. The spin-off also may help to reduce regulatory concerns arising from the FCC's interpretation of its new cable ownership and attribution rules. Further, the proposed transfer of control will not disrupt Catalina's business, will not adversely affect competition and will be completely transparent to Catalina's customers. As such, the proposed transfer is consistent with the Commission's rules and policies and with the public interest, convenience and necessity.

## III. Section 63.18 Information

Pursuant to Section 63.18(e)(3) of the Commission's Rules, the parties provide the following information:

- (a) The names, addresses and telephone numbers of the parties are:

Catalina Transmission Corp. (214 Authorization Holder)  
520 Broadway, Fifth Floor  
Santa Monica, California 90401  
(310) 434-7000

AT&T Corp. (Transferor)  
c/o AT&T Broadband  
188 Inverness Drive West, Suite 500  
Englewood, Colorado 80112  
(303) 858-5819

Liberty Media Corporation (Transferee)  
9197 South Peoria Street  
Englewood, Colorado 80112  
(720) 875-5406

(b) Catalina and Liberty are corporations organized under the laws of Delaware.  
AT&T is organized under the laws of New York.

(c) Correspondence pertaining to this application should be addressed to:

For AT&T:  
Rick D. Bailey, Esquire  
Senior Vice President  
and Chief Counsel  
AT&T Broadband

188 Inverness Drive West, Suite 500  
Englewood, Colorado 80112  
Tel: (303) 858-5819  
Fax: (303) 858-5083

For Catalina:  
William E. Niles, Esquire  
Assistant Secretary  
Catalina Transmission Corp.  
520 Broadway, Fifth Floor  
Santa Monica, California 90401  
Tel: (310) 434-7000  
Fax: (310) 434-7001



With a Copy to:

Robert L. Hoegle, Esquire  
Carter, Ledyard & Milburn  
1401 Eye Street, N.W., Suite 300  
Washington, D.C. 20005  
Tel: (202) 898-1515  
Fax: (202) 898-1521

For Liberty:

Ms. Vivian J. Carr  
Senior Vice President  
9197 South Peoria Street  
Englewood, Colorado 80112  
Tel.: (720) 875-5406  
Fax: (720) 875-5445

With a Copy to:

Robert L. Hoegle, Esquire  
Carter, Ledyard & Milburn  
1401 Eye Street, N.W., Suite 300  
Washington, D.C. 20005  
Tel.: (202) 898-1515  
Fax: (202) 898-1521

(d) Catalina holds the international Section 214 authorization which is the subject of this application (File No. ITC-94-083). The Commission most recently approved the transfer of control of the Catalina Section 214 authorization from Warburg, Pincus & Co. to Liberty as a wholly-owned subsidiary of AT&T. See ITC-T/C-19991227-00820. DA. No. 00-361 (rel. Feb. 24, 2000). A former subsidiary of Liberty, Netlink USA (“Netlink”), held a Section 214 authorization to deliver transborder video services using United States domestic satellites, from the United States to receive points in Canada (File No. ITC-87-096). See Southern Satellite Systems, et al., DA 91-702, rel. June 10, 1991. As a result of a series of transactions, the Netlink Section 214 authorization was assigned to Telluride Cablevision, Inc. (“Telluride”), which is wholly-owned by Gemstar-TV Guide International, Inc. Pursuant to Section 63.24 of the Commission’s Rules, the parties to this transaction notified the Commission of the pro forma assignment of the Netlink Section 214 authorization to Telluride by letter dated July 8, 1999.

(e) Liberty is applying for authority under Section 63.18(e)(3) of the Commission's Rules to acquire control of Catalina, which holds an international Section 214 authorization.

(f) Liberty is not seeking any authority beyond the scope of the Section 214 authorization already held by Catalina and expects to continue the services presently provided by Catalina pursuant to the Section 214 authorization.

(g) The authority sought herein is categorically excluded from environmental processing pursuant to Section 1.1306 of the Commission's Rules and no environmental assessment is required.

(h) Liberty Media Corporation ("Liberty") currently is an indirect wholly-owned subsidiary of AT&T. However, it is a member of a separately-managed business group, Liberty Media Group ("LMG"), and AT&T's ownership of LMG has been structured to distinguish the economic interests of the holders of AT&T common stock and the holders of LMG tracking stock and to provide LMG with operational independence from AT&T. AT&T recently announced that it intends to effect a spin-off of LMG by redeeming the outstanding shares of LMG tracking stock in exchange for shares of Liberty, which then will be an independent publicly held company that owns, directly or indirectly through one or more subsidiaries, all the assets included in LMG.

AT&T Class A Liberty Media Group Tracking Stock is listed on the New York Stock Exchange. Based on reports filed by them with the Securities and Exchange Commission, Liberty believes that the following institutional investors own five percent or more of the shares of AT&T Class A Liberty Media Group Tracking Stock deemed to be outstanding for the purposes of these reports: Alliance Capital Management L.P. (approximately 10.4 percent);



Putnam Investment Management (approximately 7.7 percent); and Janus Capital Corporation (approximately 5.7 percent) (the “Class A LMG Institutional Investors”). To our knowledge, no one person or account on whose behalf funds are managed by any of the Class A LMG Institutional Investors owns five percent or more of the AT&T Class A Liberty Media Group Tracking Stock. We believe that the shares of AT&T Class A Liberty Media Group Tracking Stock not held by Class A LMG Institutional Investors, totaling approximately 1.84 billion shares (representing approximately 76 percent of the total Class A shares outstanding) are held by approximately 6,842 other stockholders of record.

In the spin-off, holders of AT&T Class A Liberty Media Group Tracking Stock will receive shares of Class A common stock in the post-transaction Liberty Media Corporation (“Liberty Class A Common Stock”) in proportion to their current ownership of AT&T Class A Liberty Media Group Tracking Stock. Each share of Liberty Class A Common Stock will be entitled to one vote.

AT&T Class B Liberty Media Group Tracking Stock also is listed on the New York Stock Exchange. Based on the most recent information available to us, we believe that the following stockholders own five percent or more of the AT&T Class B Liberty Media Group Tracking Stock: Dr. John C. Malone (“Dr. Malone”) (approximately 48.3 percent); the estate of Bob Magness (approximately 32.7 percent); and Magness Securities LLC (approximately 10.0 percent). Approximately 370 other stockholders of record own the remaining 14,229,368 shares, representing approximately 9 percent of the AT&T Class B Liberty Media Group Tracking Stock. Dr. Malone has an irrevocable proxy, under certain circumstances, to vote the AT&T

Class B Liberty Media Group Tracking Stock or any super voting class of equity securities held by Kim Magness, Gary Magness, the estate of Bob Magness and Magness Securities, LLC.

In the spin-off, holders of AT&T Class B Liberty Media Group Tracking Stock ultimately will receive shares of Class B stock in the post-transaction Liberty Media Corporation (“Liberty Class B Common Stock”) in proportion to their current ownership of AT&T Class B Liberty Media Group Tracking Stock. Each share of Liberty Class B Common Stock will be entitled to ten votes. Based on his ownership of Liberty Class A and Class B Common Stock and the irrevocable proxy described above, Dr. Malone will be entitled to vote approximately 44% of the total voting shares outstanding after the spin-off.

Liberty’s President and Chief Executive Officer, Robert R. Bennett, serves as a director of Telewest Communications plc. The Chairman of the Board of Liberty, Dr. Malone, serves on the board of UnitedGlobalCom.

(i) Liberty Media International, which is a member of LMG, through subsidiaries, holds a 35 percent interest in Jupiter Telecommunications Co. Ltd. (a provider of residential and business television and cable telephony in Japan) and a 50 percent interest in Princes Holdings Limited (a cable operator and a provider of telephony services in Ireland). Liberty, through subsidiaries, holds a 41 percent interest in Grupo Portatel (a provider of wireless telephony in Mexico).

(j) Through this application, Liberty does not seek to provide international telecommunications services to any destination where Liberty is a foreign carrier in that country; where Liberty controls a foreign carrier in that country; or where two or more foreign carriers own, in the aggregate, more than 25 percent of Liberty and are parties to, or the beneficiaries of,

a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.

(k) Not relevant.

(l) Section 63.18(l) is inapplicable because Liberty is not proposing to resell the international switched services of unaffiliated United States carriers pursuant to the Section 214 authorization held by Catalina.

(m) Liberty is not proposing to provide international telecommunication services to any country listed in paragraph (i) above pursuant to the Section 214 authorization held by Catalina.

(n) Liberty 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 market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Liberty hereby certifies that no party to this application is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. A written certification in accordance with Section 1.2002 of the Commission's Rules, is attached.

(p) Liberty requests streamlined processing of this application. Liberty qualifies for a non-dominant classification regarding the foreign affiliations discussed in paragraph (i) pursuant to Section 63.10(a)(3).



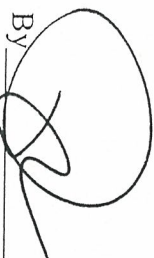
Conclusion

The parties respectfully request that the Commission grant this application for approval of the transfer of control of the Section 214 authorization held by Catalina to Liberty.

Respectfully submitted,

CATALINA TRANSMISSION CORP.

By



Name: William E Niles

Title: Assistant Secretary

AT&T CORP.

By

Name:

Title:

Date:

LIBERTY MEDIA CORPORATION

By

Name:

Title:

Date:

Conclusion

The parties respectfully request that the Commission grant this application for approval of the transfer of control of the Section 214 authorization held by Catalina to Liberty.

Respectfully submitted,

CATALINA TRANSMISSION CORP.

By \_\_\_\_\_

Name:

Title:

AT&T CORP.

By \_\_\_\_\_

Name:

Title:

*Site Resident*

Date: 1/19/01

LIBERTY MEDIA CORPORATION

By \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_

Conclusion

The parties respectfully request that the Commission grant this application for approval of the transfer of control of the Section 214 authorization held by Catalina to Liberty.

Respectfully submitted,

CATALINA TRANSMISSION CORP.

By \_\_\_\_\_

Name:

Title:

AT&T CORP.

By \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_

LIBERTY MEDIA CORPORATION

By *Vivian J. Carr*

Name: Vivian J. Carr

Title: Senior Vice President

Date: January 19, 2001



TRANSFeree CERTIFICATION

On behalf of the proposed transferee, Liberty Media Corporation, its officers, directors and shareholders owning 5 percent or more of its outstanding stock, I hereby certify that none of the transferee parties to this Application is subject to a denial of Federal benefits that include FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. §862.

LIBERTY MEDIA CORPORATION

By: 

Name: Vivian J. Carr

Title: Senior Vice President

Date: January 18, 2001