



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
445 TWELFTH STREET, S.W.
WASHINGTON, D.C. 20554

DA 06-1254

News media information 202/418-0500 Fax-On-Demand 202/418-2830 Internet: <http://www.fcc.gov> <ftp.fcc.gov>

Released: June 16, 2006

**APPLICATIONS FILED FOR CONSENT TO TRANSFER CONTROL
OF MOBILE SATELLITE VENTURES SUBSIDIARY LLC FROM MOTIENT
CORPORATION AND SUBSIDIARIES TO SKYTERRA COMMUNICATIONS,
INC.**

WC Docket No. 06-106

PLEADING CYCLE ESTABLISHED

Petitions to Deny Due: July 17, 2006
Oppositions Due: July 27, 2006
Replies Due: August 1, 2006

INTRODUCTION

SkyTerra Communications, Inc. (“SkyTerra”) and Motient Corporation and subsidiaries (“Motient”) (collectively, “the Applicants”) have filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended.¹ The Applicants seek Commission approval of the transfer of control to SkyTerra of licenses and authorizations held by Mobile Satellite Ventures Subsidiary LLC (“MSV Sub”), a direct wholly-owned subsidiary of Mobile Satellite Ventures LP (“MSV LP”).² MSV LP and its general partner, Mobile Satellite Ventures GP Inc. (“MSV GP”) are owned and controlled by five entities that are limited partners of MSV LP.³ SkyTerra, a publicly-traded U.S. corporation holds an 18.2% indirect interest in MSV LP through its 80% owned subsidiary MSV Investors, LLC. The licenses and authorizations for which the Applicants seek consent to transfer control

¹ 47 U.S.C. §§ 214, 310(d).

² MSV LP is the sole member of MSV Sub, and MSV GP is the general partner of MSV LP. Applicants are requesting that the Commission include authority for the transfer of control of (1) all authorizations issued to MSV Sub during the period between the filing of the application with the Commission and actual consummation of the proposed transaction; and (2) all applications (including applications for Special Temporary Authority), petitions, or other filings that are pending at the time of consummation of the proposed transfer of control. Applicants state that, following the closing of the proposed transaction, MSV Sub will supplement its pending applications as required under the Commission’s rules, 47 C.F.R. § 1.65, to reflect the new ownership structure. See application at pp. 5-6.

³ The five entities are: Motient Corporation (45.2% MSV GP and 45.1% MSV LP); TMI Communications and Company, Limited Partnership (21.8% MSV GP and 21.8% MSV LP); MSV Investors, LLC (22.8% MSV GP and 22.8% MSV LP); funds affiliated with Columbia Capital (7.8% MSV GP and 7.8% MSV LP); and funds affiliated with Spectrum Equity (2.3% MSV GP and 2.3% MSV LP).

in this docketed proceeding consist of international and domestic section 214 authorizations, satellite space station licenses, satellite earth station licenses, and an experimental license, all held by MSV Sub.⁴

MSV Sub is a Delaware limited-liability company with headquarters in Reston, Virginia. The Applicants state that MSV Sub offers a full range of maritime, land, and aeronautical satellite services, including voice and data, using both its own U.S.-licensed satellite and the Canadian-licensed L band satellite (MSAT-1) licensed to Mobile Satellite Ventures (Canada) Inc. SkyTerra is a U.S. publicly traded company with indirect interests in MSV LP and TerreStar Networks, Inc. Motient, a publicly traded company, is a nationwide provider of wireless data solutions for Fortune 500 companies and the small to medium size business enterprise market.

Pursuant to an Exchange Agreement (“Agreement”) between SkyTerra and Motient, SkyTerra will obtain the vast majority of Motient’s interests in MSV LP and all of Motient’s interest in MSV GP. In exchange, Motient will receive non-voting common stock of SkyTerra which, in turn, will be converted to voting stock upon distribution by Motient to Motient’s common stockholders. Through similar and separate Exchange Agreements between SkyTerra and Columbia Capital, Spectrum Equity and MSV Investors, LLC (collectively with Motient, “the Initial Exchange”), SkyTerra will ultimately obtain 78.2% of the voting interest in MSV GP and 58.8% of the equity interest in MSV LP, resulting in a controlling interest and majority equity interest in the MSV Licensees. TMI Communications and Company, Limited Partnership (TMI) will retain its 21.8% equity interest in MSV LP and 21.8% voting interest in MSV GP. Following the transaction no single shareholder will have a 50% or greater equity or voting interest in SkyTerra.⁵

Applicants state that the proposed transfer of control is in the public interest because it will provide for the development of an integrated satellite and terrestrial communications network that will provide ubiquitous, transparent, and seamless broadband service throughout North America to conventional handsets.

Applicants are also requesting the Commission to approve the transaction without a declaratory ruling regarding the foreign ownership interest of MSV Sub attributable to TMI because, according to Applicants, TMI is not increasing the already approved 40% equity and/or voting interest level set in a previous Commission Order and the foreign ownership of MSV Sub attributable to non-TMI interest holders will not exceed 25%.⁶

⁴ On June 12, 2006, MSV International, LLC, a direct wholly-owned subsidiary of MSV LP, surrendered its satellite space station authorization to provide mobile service to South America, File No. SAT-LOA-20030827-00174 (*See* File No. SAT-T/C-20060517-00063). As a result of the withdrawal, Applicants are no longer requesting that the space station authorization be transferred to SkyTerra.

⁵ SkyTerra is currently 60% owned and controlled, in the aggregate, by the Apollo Stockholders. The Apollo Stockholders are (1) Apollo Investment Fund IV, L.P.; (2) Apollo Overseas Partners IV, L.P.; (3) AP/RM Acquisition, LLC; (4) AIF IV/RRRR, LLC; and (5) ST/RRRR, LLC. The individuals and/or entities with a 10% or greater interest in SkyTerra are Apollo Investment Fund IV, L.P. (50%) and Harbinger Capital Partners Master Fund I, Ltd (13%). The Apollo Stockholders’ voting interests in SkyTerra are ultimately controlled by Mr. Leon Black through a series of intermediate subsidiaries and management arrangements. After consummation of the transaction, no individual or entity other than the Apollo Funds will hold a 10% or greater equity or voting interest in SkyTerra. The voting and equity interest of Apollo Funds will be reduced to a range between 16.6%-25.8% because it is not known exactly how many shares of common stock the Apollo Funds will subscribe for in the Initial Exchange.

⁶ In a November 21, 2001 decision (“2001 Order”), the Commission approved of TMI’s indirect foreign ownership

SECTION 214 AUTHORIZATIONS

The following applications for consent to the transfer of control of international Section 214 authorizations to SkyTerra have been assigned the file numbers listed below.

A. International

<u>File No.</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20060518-00283	Mobile Satellite Ventures Subsidiary LLC	ITC-214-19950314-00022 ITC-214-19951215-00023

B. Domestic

Applicants filed an application for consent to transfer control of domestic section 214 authority to SkyTerra. Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.02(b)(2)(i) of the Commission's rules because: (1) Applicants and their affiliates combined will hold less than a 10% market share of the interstate, interexchange market; (2) Applicants and their affiliates will provide local exchange service, if at all, only in areas served by dominant local exchange carriers (none of which is a party to the proposed transaction); and (3) neither of the Applicants nor their affiliates is dominant with respect to any service.⁷ In light of the multiple applications pending before the Commission in this transaction and the public interest review associated with them, however, we conclude that Applicants' domestic transfer of control application is not subject to streamlined treatment.

SECTION 310(D) APPLICATIONS

Part 25-Satellite Earth Station Authorization Applications

The following applications for consent to the transfer of control of satellite earth stations authorizations to SkyTerra have been assigned the file numbers listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign</u>
SES-T/C-20060517-000828	Mobile Satellite Ventures Subsidiary LLC	E930124 E940374
SES-T/C-20060517-000829		E930367 E980179 E990133

of MSV Sub in excess of 25%. The 2001 Order permitted the MSV Licensee to be owned indirectly by TMI and/or BCE Inc. and their Canadian shareholders in an amount up to and including equity and/or voting interest of 40%. The 2001 Order also stated that further Commission approval would not be required unless foreign individuals or entities other than TMI were to acquire (individually and/or in the aggregate) a greater than 25% indirect equity and/or voting interest in MSV Sub. See Motient Services Inc., TMI Communications and Company LP, and Mobile Satellite Ventures LLC, Order and Authorization, File No. SAT-ASG-20010302-00017 et al. (DA 01-2732); 16 FCC Rcd 20469 (Nov. 21, 2001).

⁷ 47 C.F.R. § 63.02(b)(2)(i).

Part 25-Satellite Space Station Authorization Applications

The following applications for consent to the transfer of control of satellite space stations authorizations to SkyTerra have been assigned the file numbers listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign</u>
SAT-T/C-20060517-00062	Mobile Satellite Ventures Subsidiary LLC	AMSC-1 S2358

Part 5-Experimental Radio Service (other than broadcast) Authorization Applications

The following application for consent to the transfer of control of experimental radio service (other than broadcast) authorization to SkyTerra has been assigned the file number listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign</u>
0020-EX-TC-2006	Mobile Satellite Ventures Subsidiary LLC	WD2XNL

EX PARTE STATUS OF THIS PROCEEDING

Pursuant to section 1.1200(a) of the Commission's rules,⁸ the Commission may adopt modified or more stringent ex parte procedures in particular proceedings if the public interest so requires. We announce that this proceeding will be governed by permit-but-disclose ex parte procedures that are applicable to non-restricted proceedings under section 1.1206 of the Commission's rules.⁹

We direct parties making oral ex parte presentations to the Commission's statement re-emphasizing the public's responsibility in permit-but-disclose proceedings and are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.¹⁰ More than a one- or two-sentence description of the views and arguments presented is generally required.¹¹ Other rules pertaining to oral and written presentations are set forth in section 1.1206(b) as well.¹² We urge parties to use the Electronic Comment Filing System ("ECFS") to file ex parte submissions.¹³

⁸ 47 C.F.R. § 1.1200(a).

⁹ *Id.* § 1.1206.

¹⁰ See Commission Emphasizes the Public's Responsibilities in Permit-But-Disclose Proceedings, Public Notice, 15 FCC Rcd 19945 (2000).

¹¹ See 47 C.F.R. § 1.1206(b) (2).

¹² *Id.* § 1.1206(b).

¹³ See discussion *infra* Part VI.

GENERAL INFORMATION

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Final action on these applications will not be taken earlier than thirty-one days following the date of this Public Notice.¹⁴

Interested parties must file comments or petitions to deny no later than **July 17, 2006**. Persons and entities that file comments or petitions to deny become parties to the proceeding. They may participate fully in the proceeding, including seeking access to any confidential information that may be filed under a protective order, seeking reconsideration of decisions, and filing appeals of a final decision to the courts. Responses or oppositions to comments and petitions must be filed no later than **July 27, 2006**. Replies to such pleadings must be filed no later than **August 1, 2006**. All filings concerning matters referenced in this Public Notice should refer to DA 06-06-1254 and WC Docket No. 06-106, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

Under the Commission's procedures for the submission of filings and other documents,¹⁵ submissions in this matter may be filed electronically (i.e., through ECFS) or by hand delivery to the Commission's Massachusetts Avenue location.

- **Electronic Filers:**¹⁶ Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/>. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket number. Parties also may submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering

¹⁴ See 47 U.S.C. § 309(b).

¹⁵ See *Implementation of Interim Electronic Filing Procedures for Certain Commission Filings*, Order, 16 FCC Rcd 21483 (2001); see also *FCC Announces a New Filing Location for Paper Documents and a New Fax Number for General Correspondence*, Public Notice, 16 FCC Rcd 22165 (2001); *Reminder: Filing Locations for Paper Documents and Instructions for Mailing Electronic Media*, Public Notice, 18 FCC Rcd 16705 (2003).

¹⁶ See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

the building.

Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington, D.C. 20554.

One copy of each pleading must be delivered electronically, by e-mail or facsimile, or if delivered as paper copy, by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (according to the procedures set forth above for paper filings), to the Commission's duplicating contractor, Best Copy and Printing, Inc., at fcc@bcpiweb.com or (202) 488-5563 (facsimile).

Additionally, filers may deliver courtesy copies by email or facsimile to the following Commission staff:

(1) Jodi Cooper, Policy Division, International Bureau, at jodi.cooper@fcc.gov or (202) 418-2824 (facsimile);

(2) JoAnn Lucanik, Satellite Division, International Bureau, at joann.lucanik@fcc.gov or (202) 418-0748 (facsimile);

(3) Jeanette Spriggs, Satellite Division, International Bureau, at jeanette.spriggs@fcc.gov or (202) 418-0748 (facsimile);

(4) Adam Kirschenbaum, Competition Policy Division, Wireline Competition Bureau, at adam.kirschenbaum@fcc.gov or (202) 418-1413 (facsimile);

(5) Nancy Hey, Office of Engineering and Technology, at nancy.hey@fcc.gov or 202.418.2432; and

(6) Jim Bird, Office of General Counsel, at jim.bird@fcc.gov or (202) 418-1234 (facsimile).

Copies of the Applications and any subsequently-filed documents in this matter may be obtained from Best Copy and Printing, Inc., in person at 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, via telephone at (202) 488-5300, via facsimile at (202) 488-5563, or via e-mail at fcc@bcpiweb.com. The Applications and any associated documents are also available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. The Applications also are available electronically through the Commission's ECFS, which may be accessed on the Commission's Internet website at <http://www.fcc.gov>.

People with Disabilities: To request this Public Notice in accessible formats (computer diskette, large print, audio recording, and Braille) send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

For further information, contact Jodi Cooper, Policy Division, International Bureau, at 202-418-2064.

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