

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

In the Matter of)	
)	
TerreStar License Inc., Debtor-In-Possession)	
(International Section 214 Authorization Holder))	
)	
TerreStar Corporation)	
(Transferor))	File No. ITC-T/C-2010_____
)	
EchoStar Corporation)	
(Transferee))	
)	
Application for Section 214 Authorization to)	
Transfer of Control of Entity Holding)	
Facilities-Based and Resale International)	
Section 214 Authorizations)	
(ITC-214-20100513-00194 and)	
ITC-214-20100513-00195))	

**APPLICATION FOR COMMISSION APPROVAL
TO TRANSFER CONTROL OF ENTITY HOLDING
INTERNATIONAL SECTION 214 AUTHORIZATIONS**

The Applicants hereby request authority of the Federal Communications Commission (“Commission”) pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.24 of the Commission’s rules (47 C.F.R. § 63.24), to transfer control of the authorizations held by TerreStar License Inc., Debtor-in-Possession (“TSL DIP”), a wholly-owned direct subsidiary of, TerreStar Networks Inc., Debtor-in-Possession (“TSN DIP”). The requested authorization reflects the joint plan of reorganization, as amended from time to time, (the “Plan”) filed in a consolidated Chapter 11 bankruptcy case pending before the United States

Bankruptcy Court for the Southern District of New York (“Bankruptcy Court”).¹ TSL DIP and TSN DIP will emerge from the bankruptcy as reorganized TerreStar License Inc. (“New TSL”) and reorganized TerreStar Networks Inc. (“New TSN”), respectively. New TSL will remain directly wholly-owned by New TSN, but the ownership structure of New TSN will change. Pursuant to the proposed Plan, New TSN’s largest shareholder will be EchoStar Corporation (“EchoStar”), which is anticipated to hold at least 50% of the equity and voting interests in New TSN.

TSL DIP currently holds two international Section 214 authorizations.² Authorization ITC-214-20100513-00194 grants Section 214 authority to provide international MSS via the TerreStar-1 satellite at 111.0 degrees W.L. in accordance with Section 63.18(e)(3) of the Commission's rules, 47 C.F.R. 63.18(e)(3). Authorization ITC-214-20100513-00195 grants Section 214 authority to provide facilities-based service in accordance with section 63.18(e)(1) of the Commission’s rules, and also to provide resale service in accordance with section 63.18(e)(2) of the Commission’s rules, 47 C.F.R. § 63.18(e)(1).³

In addition, TSL DIP and TSN DIP hold the following Commission licenses authorizing the deployment and operation of a 2 GHz MSS system incorporating an ancillary terrestrial component (“ATC”).

¹ See *In re TerreStar Networks Inc.*, Case No. 10-15446 (SHL) (SDNY Oct. 19, 2010). The Bankruptcy Court has not yet confirmed the Plan.

² The international Section 214 authorizations held by TSL DIP are subject to the terms and conditions of a security agreement between TerreStar Corporation, TerreStar Networks Inc., and all of their affiliates and subsidiaries on the one hand, and the Department of Justice and the Department of Homeland Security, on the other hand, dated December 18, 2009. New TSN agrees to honor the commitments, terms, and conditions included in this agreement following the consummation of the Plan.

³ On November 3, 2010, the Commission approved the *pro forma* assignments from TSL to TSL DIP of the Section 214 authorization for international mobile satellite services (ITC2142010051300194) and the Section 214 authorization for global facilities-based and resale authority (ITC2142010051300195). See IBFS File No. ITC-ASG-20101022-00423.

Call Sign/File No.	Description
S2633	Letter of Intent spectrum reservation to provide MSS using the TerreStar-1 satellite.
E090061	Authorization for 15 calibration earth stations in the 2 GHz band.
E070098	Fixed satellite service (“FSS”) Ku-band earth station authorization for two antennas in Las Vegas, Nevada.
E060430	FCC license for two million mobile earth terminal (“MET”) handsets that includes ATC authorization.

Currently, TSN DIP and TSL DIP are indirectly majority owned by TerreStar Corporation.⁴ TerreStar Corporation’s largest shareholder is Harbinger Capital Partners Funds,⁵ and its other shareholders include EchoStar. Pursuant to the proposed Plan, TerreStar Corporation’s indirect ownership interest in TSN DIP will be extinguished, and New TSN will then issue new securities. As a result, New TSN’s largest shareholder will be EchoStar. EchoStar is controlled by Mr. Charles W. Ergen. This proposed transfer of control is summarily depicted in the following two partial and simplified diagrams.

⁴ TerreStar Corporation has not filed a petition for relief under the Bankruptcy Code, but the Applicants expect TerreStar Corporation to do so in the near future.

⁵ These funds consist of Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., and Credit Distressed Blue Line Master Fund, Ltd.

Diagram 1 – Debtor-in-Possession Structure

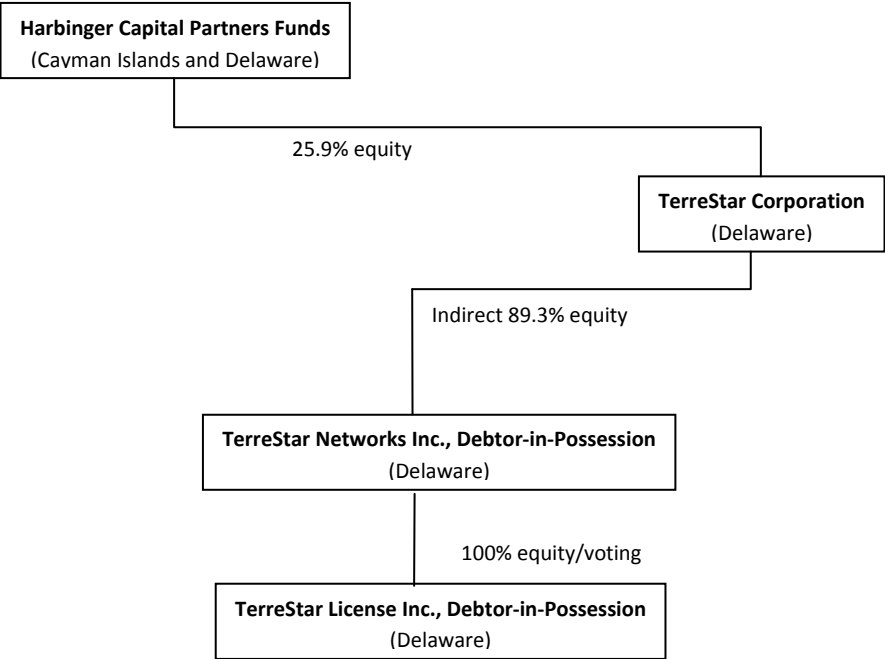
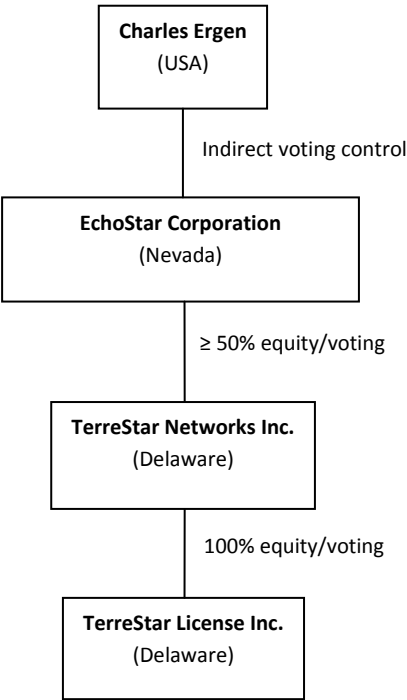


Diagram 2 – Post-Emergence Structure



As set forth herein, the transfer of control of TSN DIP's international Section 214 authorizations fully complies with the Communications Act of 1934, as amended, and the Commission's rules and policies. In addition, because TSN DIP will be able to restructure its debt through its pending bankruptcy organization (by potentially removing more than \$1 billion in liabilities from its balance sheet) and thereby improve its access to capital, the public will benefit significantly from the advanced mobile broadband capabilities that the transaction will help unleash and that New TSN's next-generation MSS/ATC system will bring to American consumers.

I. BACKGROUND

I. The Applicants

The TerreStar Parties. In May 2007, the FCC issued a Letter of Intent ("LOI") spectrum reservation to TerreStar Networks Inc. ("TSN"), a majority-owned indirect subsidiary of TerreStar Corporation,⁶ to utilize certain specified spectrum to provide MSS in the United States using the Canadian-licensed geosynchronous orbit ("GSO") satellite, TerreStar-1. TSN assigned this authorization to TerreStar License Inc. ("TSL"), a wholly owned direct subsidiary of TSN, in February 2008. In relation to that LOI, the Commission issued TSN an authorization to operate up to two million METs. Further, in January 2010, the FCC authorized TSN to provide ATC services, by means of adding an ATC authorization to TSN's MET license.

TSN, TSL, and their affiliates have met several significant milestones in the provision of MSS/ATC services since 2007. On July 1, 2009, the TerreStar-1 satellite was successfully

⁶ Motient Ventures Holdings Inc., a Delaware corporation, owns 89.3% of the common stock of TSN. MV Holdings Inc., a Delaware corporation, owns 100% of the common stock of Motient Ventures Holdings Inc., a Delaware corporation. TerreStar Corporation owns 100% of the common stock of MV Holdings Inc.

launched and placed into its assigned orbital slot. This event soon was followed by the first successful phone call over TerreStar-1 on July 20, 2009, which allowed TerreStar-1 to be certified as operational. On August 27, 2009, in-orbit testing of TerreStar-1 was successfully completed.

In order to obtain the capital necessary to support these development initiatives and the operation of its MSS/ATC system, TSN issued secured payment-in-kind (“Senior PIK”) notes in 2007 and exchangeable payment-in-kind (“Exchangeable PIK”) notes in 2008. However, the subsequent global economic crisis created a precarious financial situation, rendering TSN and TSL unlikely to satisfy these debt obligations in the coming years. As a result, on October 19, 2010, TSN, TSL and certain of their affiliates (collectively, the “TerreStar Companies”) filed voluntary petitions for reorganization under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) with the Bankruptcy Court.⁷ As the TerreStar Companies explained in their petitions, reorganization is intended to strengthen the TerreStar Companies’ financial position to help them achieve long-term success in the MSS market.⁸ On October 20, 2010, the Bankruptcy Court granted the request of the TerreStar Companies for procedural consolidation and joint administration of the Chapter 11 petitions. On November 5, 2010, the TerreStar Companies filed the Plan and an accompanying disclosure statement.⁹ The Plan will convert approximately \$1.1 billion of TSN’s debt into equity in New TSN, resulting in a change of control of TSN DIP. The Bankruptcy Court has not yet confirmed the proposed Plan.

The EchoStar Parties. EchoStar is providing much of the financial support to enable TSN DIP and TSL DIP to emerge from bankruptcy and execute a successful market strategy

⁷ Attachment B hereto provides a diagram of TSL DIP’s current ownership structure.

⁸ *See In re TerreStar Networks Inc.*, Case No. 10-15446 (SHL) (SDNY Oct. 19, 2010).

⁹ The Bankruptcy Court entered an order approving the disclosure statement on December 22, 2010.

upon their emergence. With its focus on creating hardware and service solutions for cable, telecommunications, IPTV and satellite television companies worldwide, EchoStar delivers satellite services using its fleet of ten owned and leased in-orbit satellites and related FCC licenses. EchoStar also provides mobility to multichannel video subscribers through its Sling Box service, which allows consumers to receive their video service from any location worldwide.

EchoStar is controlled by Mr. Charles W. Ergen, Chairman of its Board of Directors. Directly or indirectly through trusts, Mr. Ergen holds shares representing 56.4% of the equity interest (assuming conversion of all shares of outstanding Class B Common Stock into Class A Common Stock) and 92.7% of the voting interest in the company.¹⁰ Mr. Ergen is also the President, Chief Executive Officer, and Chairman of the Board of Directors of DISH Network Corporation (“DISH Network”). Mr. Ergen founded the two companies as EchoStar Communications Corporation in 1980. EchoStar was spun off from DISH Network in 2008. As exemplified by both EchoStar and DISH Network, Mr. Ergen has been a leading pioneer in the satellite industry and has successfully leveraged satellite technology to provide consumer services to millions of Americans.

B. Structure of the Transaction

Under the proposed Plan, claims of the Senior PIK noteholders, Exchangeable PIK noteholders and certain general unsecured claims against the TerreStar Companies (collectively,

¹⁰ A portion of Mr. Ergen’s interest in EchoStar is held in Grantor Retained Asset Trusts (“GRATs”). The trustee for the GRATs is Mr. William R. Gouger, a U.S. citizen; manager of the estate planning and management services firm of SC Management, LLC; and located at 400 Inverness Parkway, Suite 250, Englewood, Colorado 80112. In his capacity as trustee, Mr. Gouger holds shares representing 22.2% of the equity interest (assuming conversion of all shares of outstanding Class B Common Stock into Class A Common Stock) and 36.7% of the voting interest in the company.

“Claims”) will be exchanged for equity in New TSN, discharging the vast majority of debt currently held by the TerreStar Companies. New TSL will be a wholly owned subsidiary of New TSN. All pre-bankruptcy rights and interests in TSN, 89% of which are indirectly held by TerreStar Corporation, will be terminated. Specifically, the proposed Plan calls for equity in New TSN to be distributed in the form of common stock (“Common Stock”) and preferred stock (“Preferred Stock”). Common Stock will be distributed to all holders of Claims. Holders of Senior PIK Notes will receive approximately 97% of New TSN’s Common Stock on a pro rata basis to their holdings of Claims. The remaining approximately three percent of New TSN’s Common Stock will be distributed to the holders of the Exchangeable PIK notes and general unsecured claims against certain of the TerreStar Companies. In addition, Senior PIK noteholders and Exchangeable PIK noteholders will be eligible to participate in a \$125 million rights (“Rights”) offering for new Preferred Stock on a pro rata basis (based on their respective holdings of Claims) and in accordance with the Plan. The Common Stock and Preferred Stock have identical voting and economic rights, except that holders of Preferred Stock will receive a liquidation preference in the event of any merger, consolidation, change in control, liquidation or winding up of New TSN.

Pursuant to an Equity Purchase Commitment Agreement between EchoStar and TSN approved by the Bankruptcy Court on December 22, 2010 (the “EPCA”), EchoStar (and any other holder of Senior PIK notes that executes a joinder to the EPCA on or prior to February 7, 2011 (each such holder, an “Other Backstop Party”)) has committed to support TSN’s restructuring efforts by, among other things, “backstopping” all of the \$125 million Rights offering. Specifically, pursuant to the terms and conditions of the EPCA, EchoStar and any Other Backstop Parties will fully exercise their Rights to purchase Preferred Stock and will purchase additional unsubscribed shares of Preferred Stock to the extent necessary to ensure that

TSN receives at least \$1250 million in proceeds from the Rights offering. Furthermore, the proposed Plan provides EchoStar and any Other Backstop Parties with the right to purchase additional Preferred Stock on a *pro rata* basis in an amount up to \$25 million (“Overallotment Right”), which amount may be reduced by EchoStar in its sole discretion. As a result, the Rights offering and Overallotment Right (collectively, the “Capital Infusion”) will inject between \$125 million and \$150 million of new capital into New TSN.

In addition, EchoStar is providing TSN DIP (and the other TerreStar Companies) with debtor-in-possession financing in the amount of \$75 million to fund its operations during the pendency of the TerreStar Companies’ reorganization. The Capital Infusion will be used, among other things, to repay the debtor-in-possession financing facility in full and to fund the operations of New TSN upon consummation of the Plan.

As a result of these equity distributions and related transactions, EchoStar will be the largest shareholder of New TSN, and the Applicants expect that it will hold at least 50% of New TSN’s equity and voting interests upon consummation of the Plan. New TSN, in turn, will wholly own and control New TSL, which directly holds the two Section 214 authorizations that are the subject of this Application. No other entity is anticipated to hold a direct or indirect interest of 10% or more in New TSN. Attachment C hereto provides a schematic representation of the post-emergence ownership structure of New TSL.¹¹

¹¹ The Claims continue to be traded, and, as a result, it is not possible to determine at this date the relative participation of the TerreStar Companies’ creditors in the Capital Infusion. However, the Bankruptcy Court has issued an order restricting certain trades of Claims and requiring notification to Applicants of trades of Claims to ensure the accuracy of this Application. Specifically, the Bankruptcy Court has imposed a restriction on any trading of Claims after the filing of this Application that would result in an entity, upon the effective date of the Plan, (i) becoming a direct or indirect holder of 10% or more of the equity or voting interests in New TSN or (ii) becoming or ceasing to be, directly or indirectly, either (a) the largest holder of equity or voting interests in New TSN or (b) the holder of more than 50% of equity or voting

II. PUBLIC INTEREST STATEMENT

The Commission has repeatedly found that a transaction facilitating the retirement of debt during periods of global financial instability and improving access to capital is likely to offer substantial public benefits.¹² The Commission has moreover concluded that license transfers effectuating bankruptcy-related reorganizations benefit the public interest, facilitate the introduction of new services, and help maintain existing services to the public.¹³ The instant transaction, in fact, is precisely of this type, and it can be expected to bring about abundant public benefits.

The instant restructuring under bankruptcy protection will afford New TSN and New TSL greater liquidity to meet operational requirements. Increased financial health will, in turn, ensure the uninterrupted provision of MSS services to the public by New TSN, as well as facilitate the continued development of new hybrid MSS/ATC technologies and competitive services. Thus, this new financial and operational structure will allow New TSN to fulfill the

interests in New TSN (collectively, the “Trading Restrictions”). In addition, the Bankruptcy Court’s order requires that notification be provided to the Applicants regarding any trade of Claims involving a holder of a sufficient amount of Claims so that such entity would be, upon the effective date of the Plan, a holder of 10% or more of the equity or voting interests in New TSN (“Trading Notifications”). Importantly, the Trading Restrictions ensure that no ownership change can occur between the filing of the Application and the effective date of the Plan that would constitute a major amendment to the Application. In addition, the Trading Restrictions ensure that the Applicants are able to identify any changes to (*i.e.*, additions to or deletions from) the list of the entities that will hold a 10% or greater direct or indirect equity or voting interest in New TSN. If the Capital Infusion results in any additional entities holding a 10% or greater direct or indirect equity or voting interest in New TSN, the Applicants will update the Application in accordance with Section 1.65 of the Commission’s rules. *See* 47 C.F.R. § 1.65.

¹² *See* Iridium Holdings LLC, *Memorandum Opinion and Order*, 24 FCC Rcd. 10725, 10733 (2009).

¹³ *See* International Authorizations Granted, *Public Notice*, 19 FCC Rcd. 4079 (2004); Space Station Licensee, Inc. and Iridium Constellation LLC, *Memorandum Opinion and Order*, 17 FCC Rcd. 2271, 2288-89 (2002); ICO-Teledesic Global Limited, *Memorandum Opinion and Order*, 16 FCC Rcd. 6403, 6407 (2001); *see also* Loral/Qualcomm Partnership, L.P., *Order*, 10 FCC Rcd. 2333, 2334 (1995).

public interest benefits of MSS/ATC deployment, including the provision of increased network capacity, more efficient use of spectrum and economies of scale.¹⁴

III. SECTION 63.18 DISCLOSURES

In support of this Application, TSL DIP, TSN DIP, and EchoStar (collectively, the “Applicants”) submit the following information pursuant to Section 63.24(e) of the Commission’s rules, including the information requested in Section 63.18:

A. Name, address and telephone number of each Applicant¹⁵

Information for Section 214 Authorization Holder: TerreStar License Inc., Debtor-in-Possession, 12010 Sunset Hills Road, Reston, VA 20190, (703) 483-7800.

Information for Transferor: TerreStar Corporation, 12010 Sunset Hills Road, Reston, VA 20190, (703) 483-7800.

Information for Transferee: EchoStar Corporation, 100 Inverness Terrace East, Englewood, Colorado, (303) 706-4000.

B. Applicant’s jurisdiction of organization¹⁶

Information for 214 Authorization Holder: TerreStar License Inc., Debtor-in-Possession is a corporation organized under the laws of Delaware.

Information for Transferor: TerreStar Corporation is a corporation organized under the laws of Delaware.

Information for Transferee: EchoStar Corporation is a corporation organized under the laws of Nevada.

¹⁴ See Flexibility for Delivery of Communications by Mobile Satellite Service Providers in the 2 GHz Band, the L-Band, and the 1.6/2.4 GHz Bands, *Report and Order and Notice of Proposed Rulemaking*, 18 FCC Rcd. 1962, ¶¶ 2, 20, 45, 210-11 (2003).

¹⁵ See 47 C.F.R. § 63.18(a).

¹⁶ See *id.* § 63.18(b).

C. Contact persons for correspondence (Answer to Question 10)¹⁷

Information for Section 214 Authorization Holder:

Alexandra Field
TerreStar License Inc., Debtor-in-Possession
12010 Sunset Hills Road
Reston, VA 20190
Telephone: (703) 483-7805

With copy to:

Tom W. Davidson
Akin Gump Strauss Hauer and Feld LLP
1333 New Hampshire Avenue, NW
Washington, DC 20036
202-887-4000

Information for Transferor:

Alexandra Field
TerreStar Corporation
12010 Sunset Hills Road
Reston, VA 20190
Telephone: (703) 483-7805

With copy to:

Tom W. Davidson
Akin Gump Strauss Hauer and Feld LLP
1333 New Hampshire Avenue, NW
Washington, DC 20036
202-887-4000

Information for Transferee:

Stanton Dodge
EchoStar Corporation
100 Inverness Terrace East
Englewood, Colorado
303-706-4000

¹⁷ See *id.* § 63.18(c).

With copy to:

Pantelis Michalopoulos
Steptoe & Johnson, LLP
1333 Connecticut Avenue, NW
Washington, DC 20036
202-429-6494

D. International Section 214 authorizations (Answer to Question 10)¹⁸

Information for 214 Authorization Holder: TSL DIP currently holds two international Section 214 authorizations, which authorize it to provide (1) facilities-based and resale services and (2) international MSS via the TerreStar-1 satellite.¹⁹

Information for Transferor: TerreStar Corporation currently controls TSL DIP, which holds the above-referenced international Section 214 authorizations.

Information for Transferee: EchoStar Corporation has not received previously international Section 214 authority.

E. Not applicable²⁰

F. Not applicable²¹

G. Not applicable²²

H. Address citizenship and principal businesses of any person or entity that directly or indirectly owns at least ten percent of the equity of the Applicant (Answer to Question 11)²³

Pursuant to the Plan, as shown in Attachment C, New TSN's largest shareholder will be EchoStar, which is anticipated to hold at least 50% of the equity and voting interests in New TSN. New TSN, in turn, will wholly own and control New TSL, which directly holds the

¹⁸ See *id.* § 63.18(d).

¹⁹ On June 28, 2010, the Commission granted TSL's applications for two international Section 214 authorizations. See ITC-214-20100513-00194 and ITC-214-20100513-00195. On November 3, 2010, the Commission granted TSL's *pro forma* assignment of its international Section 214 authorizations from TSL to TSL DIP. See ITC-ASG-20101022-00423.

²⁰ See 47 C.F.R. § 63.24(e)(2).

²¹ See *id.*

²² See *id.*

²³ See *id.* § 63.18(h).

Section 214 authorizations referenced above. No other entity is anticipated to hold an equity or voting interest of 10% or more in New TSN.

The Applicants anticipate that EchoStar will hold at least 50% of the equity and voting interests in New TSN. EchoStar is controlled by Mr. Charles W. Ergen, Chairman of its Board of Directors. Directly or indirectly through trusts, Mr. Ergen holds shares representing 56.4% of the equity interest (assuming conversion of all shares of outstanding Class B Common Stock into Class A Common Stock) and 92.7% of the voting interest in the company.²⁴ The address for EchoStar and Mr. Ergen is 100 Inverness Terrace East, Englewood, Colorado. EchoStar's primary business is the creation of hardware and service solutions for cable, telecommunications, IPTV and satellite television companies worldwide as well as the delivery of satellite services.

I. Interlocking directorates (Answer to Question 12)²⁵

The Applicants will provide the Commission with a list of any Interlocking Directorates of New TSN and New TSL once the directors and officers of New TSN and New TSL are known. EchoStar does not have any interlocking directorates with a foreign carrier.

J. Statement as to affiliation with foreign carriers (Answer to Question 14)²⁶

New TSN and New TSL are affiliated with a foreign carrier, TerreStar Networks (Canada) Inc., Debtor-in-Possession ("TerreStar Canada DIP"), which has been authorized by

²⁴ A portion of Mr. Ergen's interest in EchoStar is held in Grantor Retained Asset Trusts ("GRATs"). The trustee for the GRATs is Mr. William R. Gouger, a U.S. citizen; manager of the estate planning and management services firm of SC Management, LLC; and located at 400 Inverness Parkway, Suite 250, Englewood, Colorado 80112. In his capacity as trustee, Mr. Gouger holds shares representing 22.2% of the equity interest (assuming conversion of all shares of outstanding Class B Common Stock into Class A Common Stock) and 36.7% of the voting interest in the company.

²⁵ See 47 C.F.R. § 63.18(h).

²⁶ See *id.* § 63.18(i).

Industry Canada to operate the TerreStar-1 satellite to provide MSS in Canada. EchoStar is not affiliated presently with a foreign carrier. Canada is a World Trade Organization member.²⁷

K. Destination markets (Answer to Question 15)²⁸

The Applicants will not provide international telecommunications services to any destination country for which any of the following are true:

- 1) an Applicant is a foreign carrier in such destination country;
- 2) an Applicant controls a foreign carrier in such destination country;
- 3) any entity that directly or indirectly owns more than 25% of New TSL, or that controls New TSL, also controls a foreign carrier in such destination country; or
- 4) two or more foreign carriers (or carriers that control such foreign carriers) serving such destination country directly or indirectly own more than 25%, in the aggregate, of New TSL 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.

²⁷ TerreStar Canada DIP has two shareholders: (i) TerreStar Networks Holdings (Canada) Inc., Debtor-in-Possession (“TerreStar Canada Holdings DIP”), which holds an 80% ownership interest in TerreStar Canada DIP, and (ii) TSN DIP, which holds a 20% ownership interest in TerreStar Canada DIP. TerreStar Canada Holdings DIP, in turn, has two shareholders: (i) 4491165 Canada Inc., which holds a 66-2/3% interest in TerreStar Canada Holdings DIP, and (ii) TSN DIP, which holds a 33-1/3% interest in TerreStar Canada Holdings DIP. Accordingly, 4491165 Canada Inc. holds, in the aggregate, a 53-1/3% interest in TerreStar Canada (*i.e.*, a 66-2/3% interest in TerreStar Canada Holdings DIP, which owns 80% of TerreStar Canada) and TSN DIP holds a 46-2/3% ownership interest in TerreStar Canada (*i.e.*, a 20% direct interest in TerreStar Canada and a 33-1/3% interest in the holding company that owns 80% of TerreStar Canada).

²⁸ See 47 C.F.R. § 63.18(j).

L. Services to affiliated destination markets²⁹

New TSL will not resell the international switched services of an unaffiliated U.S. carrier to a destination country in which an Applicant is a foreign carrier or is affiliated with a foreign carrier. Even were New TSL to do so, the Applicants would satisfy the requirements of Section 63.10(a)(3) of the Commission's rules because their only foreign carrier affiliate, TerreStar Canada DIP, is a relatively new entrant into the telecommunications market in Canada and does not hold a significant share of Canada's domestic or international telecommunications market. Thus, for the purposes of resale of international switched services of unaffiliated U.S. carriers, New TSL will meet the criteria for non-dominant classification under Section 63.10(a)(3) of the Commission's rules.

M. Non-dominant classification (Answer to Question 16)³⁰

New TSL should be authorized to serve all destination markets as a non-dominant carrier for the provision of (1) facilities-based and resale services and (2) international MSS via the TerreStar-1 satellite because no company affiliated with an Applicant will hold a 50% or greater share of the international transport or local access markets in a destination country. New TSL's only foreign carrier affiliate, TerreStar Canada DIP, is relatively new entrant into the Canadian telecommunications market and provides only MSS in this market. Therefore, based on the Commission's rules governing the regulatory classification of international carriers, New TSL should be authorized to serve all destination markets as a non-dominant carrier.

²⁹ See *id.* § 63.18(k)-(l).

³⁰ See *id.* § 63.18(m).

N. Special concessions³¹

The Applicants hereby certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route in which the foreign carrier possesses market power on the foreign end of the route. The Applicants will not enter into such agreements in the future.

O. Anti-Drug Abuse Act certification³²

Each of the Applicants hereby certifies that it is not 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. Streamlined processing (Answer to Question 20)³³

This Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules because, in accordance with Section 63.12(c), (i) the Applicants are not affiliated with any dominant U.S. carrier whose services New TSL may resell; (ii) New TSL is affiliated with TerreStar Canada DIP, which is a foreign carrier, TerreStar Canada DIP qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules because TerreStar Canada DIP lacks a 50% market share with respect to Canada's international transport and local access markets; and (iii) none of the other scenarios outlined in Section 63.12(c) of the Commission's rules apply.

The parties agree not to consummate the transaction as proposed herein until the Commission approves the transfer of control requested herein.

³¹ See *id.* § 63.18(n).

³² See *id.* § 63.18(o).

³³ See *id.* § 63.18(p).

IV. CONCLUSION

Based on the foregoing, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application.

Respectfully submitted,

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_____/s/_____
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Reston, VA 20190
703-483-7800

December 23, 2010

Attachments

LIST OF ATTACHMENTS

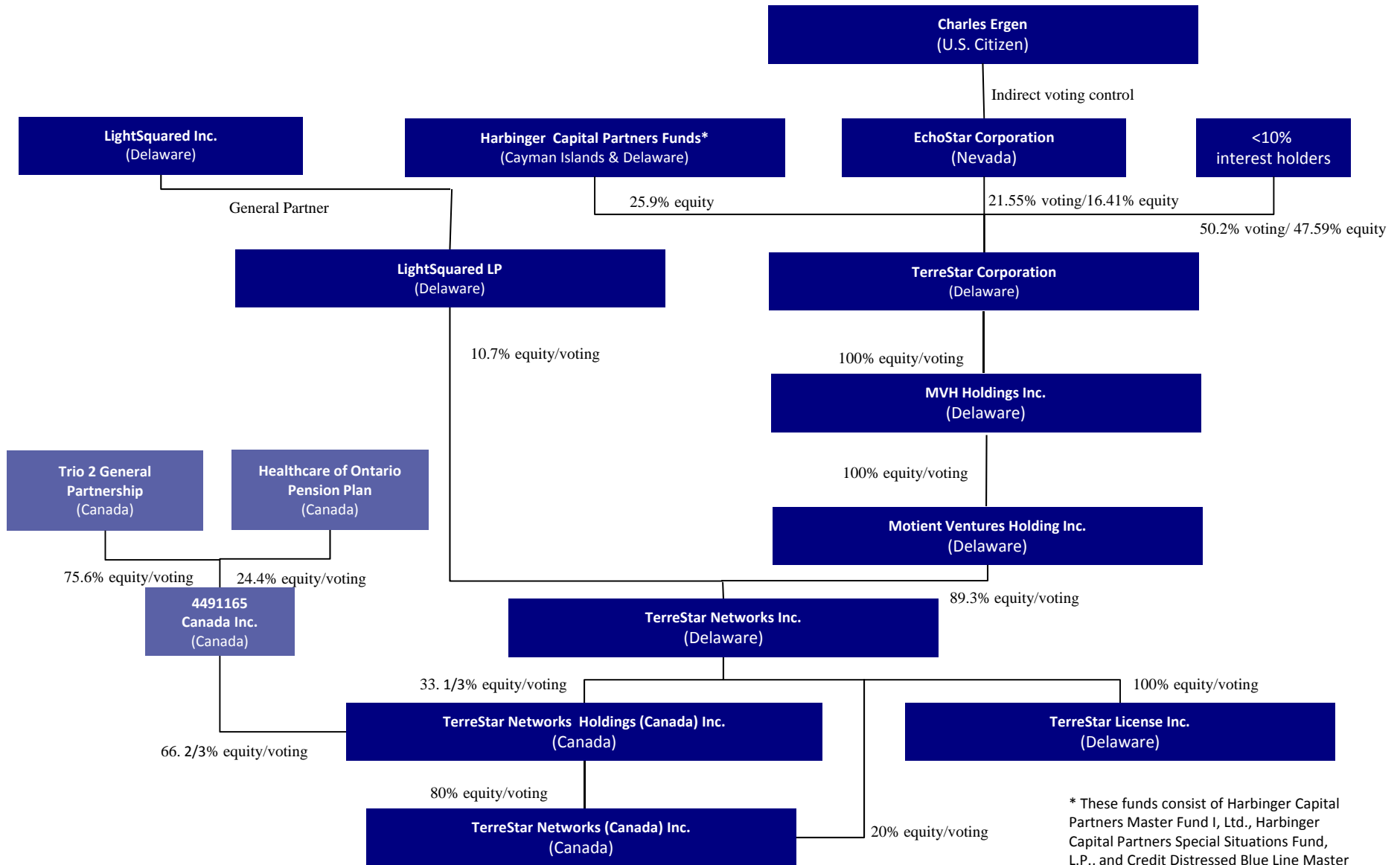
Attachment 1: Pre-Chapter 11 Ownership Structure

Attachment 2: Debtor-in-Possession Ownership Structure

Attachment 3: Proposed Post-Emergence Ownership Structure

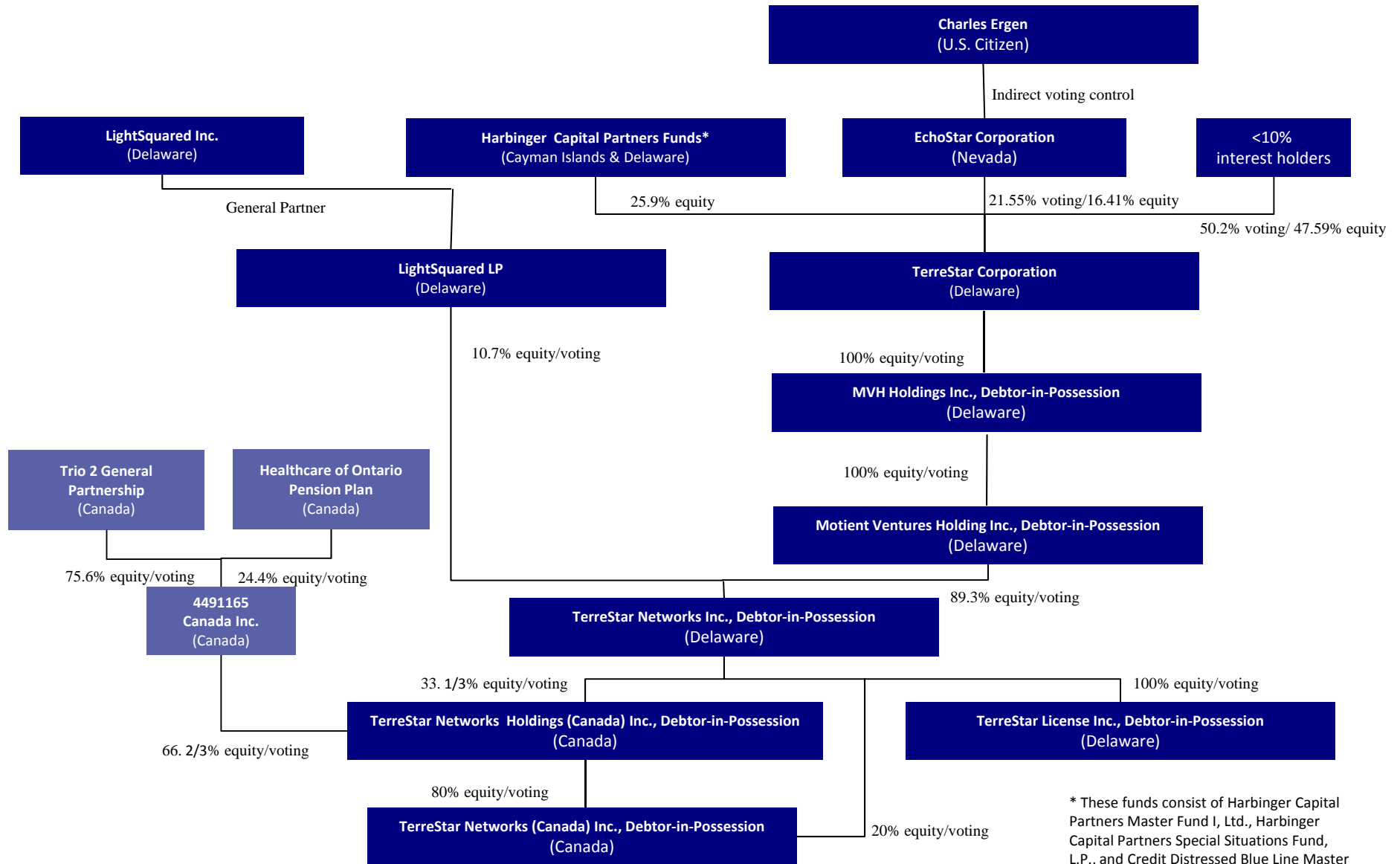
Attachment 1

Pre-Chapter 11 Ownership Structure



Attachment 2

Current Ownership Structure



Attachment 3
Proposed Post-Emergence Ownership Structure

