

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

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Applications of	)	
	)	
	)	
<b>The Boeing Company</b>	)	File Nos. SAT-AMD-20171206-00167
	)	SAT-AMD-20171206-00168
For Amendment to Convey NGSO	)	SAT-LOA-20161115-00109
Applications to SOM1101, LLC	)	SAT-LOA-20160622-00058
	)	SAT-AMD-20170301-00030
For Authority to Launch and Operate an NGSO	)	
Low Earth Orbit Satellite System in the Fixed	)	
Satellite Service	)	
	)	
For Authority to Launch and Operate a	)	
Ka-band NGSO System in the Fixed Satellite	)	
Service and in the Mobile Satellite Service	)	

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**REPLY OF IRIDIUM SATELLITE LLC**

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## I. INTRODUCTION AND SUMMARY

The Boeing Company (“Boeing”) and SOM1101, LLC (“Wyler”) (together, the “Applicants”) have applied to substitute Wyler for Boeing in Boeing’s pending applications to launch non-geostationary satellite orbit (“NGSO”) systems in the Ka- and V-bands. As Iridium and other operators explained in their petitions to deny,<sup>1</sup> the proposed substitution would violate the prohibition against multiple ownership of proposed NGSO systems. As the petitioners also explained, the proposed substitution, if granted, would qualify as a major amendment to Boeing’s applications, and therefore would require their removal from the current NGSO processing rounds.

In their oppositions,<sup>2</sup> the Applicants strain to show that they comply with the multiple ownership rule and are still eligible for the current processing rounds. But their efforts rely on bizarre reinterpretations of FCC rules that verge on the absurd and conflict with Commission precedent. The Applicants also ask the Commission for a series of waivers to excuse their clear violations of the processing-round rules. In doing so, however, they do not meaningfully address the serious public interest concerns raised by Iridium and others.

The Applicants’ own arguments make it clear that the Commission should enforce its rules and deny the Boeing-Wyler Amendments.<sup>3</sup> And if the amendments are not rejected, the

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<sup>1</sup> See Petition to Deny of Iridium Satellite LLC, IBFS File Nos. SAT-AMD-20171206-00167 et al. (filed Feb. 12, 2018) (“Iridium Petition”); Petition to Deny and Opposition of Telesat Canada, IBFS File Nos. SAT-AMD-20171206-00167, SAT-AMD-20171206-00168 (filed Feb. 12, 2018) (“Telesat Petition”); Petition to Deny of O3b Limited, IBFS File Nos. SAT-AMD-20171206-00167 et al. (filed Feb. 12, 2018) (“O3b Petition”); Petition to Deny of Space Exploration Holdings, LLC, IBFS File Nos. SAT-AMD-20171206-00167, SAT-AMD-20171206-00168 (filed Feb. 12, 2018) (“SpaceX Petition”).

<sup>2</sup> See Opposition of SOM1101, LLC to Petitions to Deny, IBFS File Nos. SAT-AMD-20171206-00167, SAT-AMD-20171206-00168 (filed Feb. 27, 2018) (“SOM1101 Opposition”); Opposition of The Boeing Company, IBFS File Nos. SAT-AMD-20171206-00167, SAT-AMD-20171206-00168 (filed Feb. 27, 2018) (“Boeing Opposition”).

<sup>3</sup> See IBFS File Nos. SAT-AMD-20171206-00167, SAT-AMD-20171206-00168 (together, the “Boeing-Wyler Amendments”).

applications as amended should be removed from the current processing rounds as the Commission's rules require.

## **II. THE APPLICANTS CANNOT ESCAPE THE D&O PROVISION OF THE COMMISSION'S CONTROLLING INTEREST STANDARD.**

Under Commission rules, in any given frequency band, an individual or entity may have an attributable interest in only one pending NGSO application or unbuilt NGSO satellite system.<sup>4</sup> In the Boeing-Wyler Amendments, the Applicants claimed that Greg Wyler remains free to apply to launch NGSO systems through his LLC notwithstanding his interest in OneWeb's unbuilt and pending NGSO systems. They assert he may hold these dual interests without violating the limit against multiple ownership, because in their view Mr. Wyler does not own enough equity to give him an attributable interest in OneWeb.<sup>5</sup>

But as the petitioners explained, the Applicants seem willfully to misunderstand the applicable "attributable interest" standard.<sup>6</sup> Under the multiple ownership rule, any party with a "controlling interest" in an entity has an "attributable interest" in that entity.<sup>7</sup> For the purpose of determining controlling interests pursuant to the multiple ownership rule, the Commission

*[s]pecifically . . . adopt[ed] . . . the 'controlling interest' standard [that] the Commission adopted in Amendment of Part 1 of the Commission's Rules - Competitive Bidding Procedures, Order on Reconsideration of the Third Report and Order, Fifth Report and Order, and Fourth Further Notice of Proposed Rule Making, WT Docket No. 97-82, 15 FCC Rcd 15293, 15323-27 (paras. 59-67) (2000) (Part 1 Fifth Report and Order).*<sup>8</sup>

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<sup>4</sup> 47 C.F.R. §§ 25.159(b) & (c).

<sup>5</sup> See Public Interest Statement at 2-3, IBFS File Nos. SAT-AMD-20171206-00167, SAT-AMD-20171206-00168 ("Public Interest Statement").

<sup>6</sup> See, e.g., Iridium Petition at 3-4; SpaceX Petition at 4-5; Telesat Petition at 2; O3b Petition at 4-5.

<sup>7</sup> 47 C.F.R. § 25.159(c)(2).

<sup>8</sup> *Amendment of the Commission's Space Station Licensing Rules and Policies*, First Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 10760, 10849-51, ¶¶ 234-239 (2003) ("2003 Report and Order") (emphasis supplied).

As explained in the *Part 1 Fifth Report and Order*, that “controlling interest” standard includes a rule providing that “*the officers and directors of any applicant will be considered to have a controlling interest in the applicant*” (the “D&O Provision”).<sup>9</sup> As OneWeb’s Executive Chairman, Wyler is both an executive officer and sits on the board of directors—indeed, he is the board’s chairman. Under the D&O Provision, Wyler has a controlling interest, and therefore an attributable interest, in OneWeb, and cannot apply for authority to launch any more co-frequency NGSO constellations through his LLC.

That should be the end of the matter. And it can be, because the Applicants’ efforts to obfuscate this clear analysis fail. As explained below, the Applicants rely on bizarre interpretations of Section 25.159 to argue that the D&O Provision does not apply. Likewise, their arguments that Wyler does not have a controlling interest in OneWeb, even assuming the D&O Provision applies, are undone by the text of the rule and Commission precedent.

**A. Part 1’s Controlling Interest Standard, Including the D&O Provision, Applies Under Part 25.**

Wyler attempts to escape the D&O Provision by claiming that it does not apply in the context of the multiple ownership rule. This is incorrect.

*First*, Wyler claims that Section 1.2110(c)(2)(ii)(F), which contains the D&O Provision, defines which individuals and entities qualify as an “affiliate” of the applicant, but

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<sup>9</sup> *Amendment of Part 1 of the Commission’s Rules – Competitive Bidding Procedures*, Order on Reconsideration of the Third Report and Order, Fifth Report and Order, and Fourth Further Notice of Proposed Rule Making, 15 FCC Rcd 15293, 15325, ¶ 63 (2000) (“*Part 1 Fifth Report and Order*”) (emphasis supplied); *see also* 47 C.F.R. § 1.2110(c)(2)(ii)(F) (“[o]fficers and directors of the applicant shall be considered to have a controlling interest in the applicant”); *Amendment of Part 1 of Commission’s Rules – Competitive Bidding Procedures*, Second Order on Reconsideration of the Third Report and Order and Order on Reconsideration of the Fifth Report and Order, 18 FCC Rcd 10180, 10185, ¶ 7 (2003) (“*Order on Reconsideration of Part 1 Fifth Report and Order*”) (“Additionally, the officers and directors of an entity that controls an applicant shall also be considered to have a controlling interest in the applicant”); *Cornerstone SMR, Inc. Application for Auction 72*, Order, 24 FCC Rcd 4857, 4859, ¶ 6 (2009).

not what constitutes a “controlling interest.”<sup>10</sup> While the Commission has no obligation even to respond to arguments this frivolous,<sup>11</sup> it can dispose of Wyler’s analysis easily. Section 1.2110(c)(2) *says* it is defining who and which entities qualify as “Controlling interests;”<sup>12</sup> indeed, Part 1’s definition of “affiliates” appears in an entirely different subsection.<sup>13</sup>

*Second*, Wyler suggests that the Commission only incorporated Section 1.2110(b)(2)’s rule governing the aggregation of affiliate interests into the Part 25 standard for determining controlling interests. The argument is painfully convoluted, but appears to be: (a) Section 25.159(c)(2) requires “controlling interest[s]” to be determined “within the meaning of 47 C.F.R. 1.2110(b)(2);”<sup>14</sup> (b) accordingly, Section 1.2110(b)(2) contains the controlling interest standard that the Commission sought to incorporate into Part 25; (c) the D&O Provision is established in Section 1.2110(c)(2)(ii)(F), and not Section 1.2110(b)(2); thus, (d) the D&O provision was not incorporated by reference into Part 25.

The problem with this argument is that Section 1.2110(b)(2) does not provide a controlling interest standard at all. It provides a general rule of attribution for use in determining the holdings of an applicant.<sup>15</sup> As a result, the effect of Section 25.159(c)(2)’s reference to Section 1.2110(b)(2) is to clarify that the holdings of all attributable interests must be aggregated before determining whether an applicant holds more than one NGSO

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<sup>10</sup> SOM1101 Opposition at 9 (“Central to all opposing parties’ position that the Amendments would violate Section 25.159(b) is the definition of ‘affiliate’ provided for in Section 1.2110(c)(2)(ii)(F).”).

<sup>11</sup> *See, e.g., NRDC v. EPA*, 859 F.2d 156, 188 (D.C. Cir. 1988).

<sup>12</sup> 47 C.F.R. § 1.2110(c)(2).

<sup>13</sup> *Id.* § 1.2110(c)(5).

<sup>14</sup> *Id.* § 25.159(c)(2).

<sup>15</sup> *Id.* § 1.2110(b)(2) (providing that “[p]ersons or entities that hold interests in an applicant (or licensee) that are affiliates of each other or have an identity of interests identified in § 1.2110(c)(5)(iii) will be treated as though they were one person or entity and their ownership interests aggregated for purposes of determining an applicant’s (or licensee’s) compliance with the requirements of this section”).

application or unbuilt NGSO system. It is not to adopt the rule requiring the aggregation of interests to the exclusion of all other Part 1 rules.

Importantly, Wyler provides no reason the Commission should accept his self-serving interpretation of Section 25.159(c)(2); indeed, Wyler’s position creates the very kind of incoherence and inconsistencies that reasonable interpretations must avoid. As an initial matter, Wyler’s interpretation would conflict irreconcilably with the *2003 Report and Order*. Not to belabor the point, but when the Commission adopted the multiple ownership rule in the *2003 Report and Order*, it also “[s]pecifically . . . adopt[ed] . . . the ‘controlling interest’ standard [that] the Commission adopted in” the “*Part 1 Fifth Report and Order*” for the purpose of applying the rule.<sup>16</sup>

Moreover, the *2003 Report and Order* does not even hint that the Commission intended to exclude the D&O Provision from incorporation, or otherwise pick and choose which elements of the Part 1 controlling interest standard would apply in the Part 25 multiple ownership context. Just the opposite. When it incorporated the Part 1 controlling interest standard by reference into Part 25, the Commission referred specifically to paragraphs 59 through 67 of the *Part 1 Fifth Report and Order*.<sup>17</sup> Those cited passages include paragraph 63, in which the Commission adopted the D&O Provision into Part 1.<sup>18</sup> Thus, by specifically referencing paragraph 63 of the *Part 1 Fifth Report and Order*, the Commission made clear that the D&O Provision would *not* be excluded from the controlling interest standard used for determining attributable interests in proposed NGSO systems.

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<sup>16</sup> *2003 Report and Order* ¶¶ 234-239.

<sup>17</sup> *Id.* ¶ 237 n. 564 (citing *Part 1 Fifth Report and Order* ¶¶ 59-67).

<sup>18</sup> *Part 1 Fifth Report and Order* ¶ 63.

Wyler’s interpretation also would create enormous uncertainty by suggesting that some *other*, incongruous controlling interest standard should apply in the Part 25 context. But Wyler does not identify what that other standard might be, or why the Commission might have wanted to create a set of inconsistent controlling interest standards within its rules. Instead of pretending that Section 25.159(c)(2)’s reference to Section 1.2110(b)(2) was intended to overrule the *2003 Report and Order*’s express incorporation of the Part 1 controlling interest standard—without filling-in the void that would be created—the Commission should simply reject Wyler’s absurd interpretation.

**B. Under the D&O Provision, Each Officer and Director Is a Controlling Interest, Regardless of the Other Facts of the Case.**

To reiterate, the D&O Provision establishes that “[o]fficers and directors of the applicant shall be considered to have a controlling interest in the applicant.”<sup>19</sup> The Applicants concede that Wyler is at least a director of OneWeb.<sup>20</sup> Thus, under the D&O Provision, Wyler has a controlling interest in OneWeb. Yet the Applicants attempt to challenge the results of even this basic and incontestable syllogism.

*First*, Boeing argues that under the D&O Provision, all officers and directors *collectively* form a single controlling interest in an applicant, and that no individual officer or director qualifies as a controlling interest absent other indicia of control.<sup>21</sup> On this basis, Boeing suggests that there is no issue under the multiple ownership rule, because OneWeb’s officers and directors do not collectively own Wyler’s LLC.

Creative though it may be, Boeing’s suggestion is refuted by Commission precedent applying the D&O Provision. In 2003, the Commission was asked to determine whether the

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<sup>19</sup> 47 C.F.R. § 1.2110(c)(2)(ii)(F).

<sup>20</sup> SOM1101 Opposition at 8; Boeing Opposition at ii.

<sup>21</sup> Boeing Opposition at 5.



D&O Provision requires attribution of the personal wealth and income of an applicant's officers and directors for the purpose of determining eligibility for bidding credits.<sup>22</sup> The Commission concluded that the answer was no, and that only income from businesses owned by officers and directors would be attributable.<sup>23</sup> In providing the clarification sought, the Commission also clarified that *each* officer and *each* director would be considered a *separate* controlling interest of the applicant, and that gross revenues derived from any business operated by any individual officer or director therefore would count toward the applicant's income:

For example, if *an* officer *or* director were to operate a separate business, the gross revenues derived from that separate business would be attributed to the applicant, although any personal income from such separate business would not be attributed. Further, if *an* officer *or* director of an applicant were an affiliate of another entity through any ownership interest or means of affiliation, the gross revenues of such entity would be attributed to the applicant, whereas any income derived directly by an officer or director from that entity would be considered personal income and not attributed to the applicant.<sup>24</sup>

Subsequently, in *Leap Wireless*, the Wireless Bureau specifically rejected the argument that the revenues and assets of a director's affiliate should not be attributed to an applicant because the entity was an affiliate of some, but not all, of the applicant's officers and directors.<sup>25</sup> As the Bureau concluded, the D&O Provision requires "*each* director and all entities in which they have a controlling interest . . . [to] be automatically attributed to the applicant," a rule that would make sense only if each director were a *separate* controlling interest of the applicant.<sup>26</sup>

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<sup>22</sup> *Order on Reconsideration of Part I Fifth Report and Order* ¶ 8.

<sup>23</sup> *Id.* ¶ 9.

<sup>24</sup> *Id.*

<sup>25</sup> *See Leap Wireless Int'l et al.*, 19 FCC Rcd. 14909, 14919, ¶ 19 (WTB 2004).

<sup>26</sup> *See id.* ¶ 23.

The Commission’s understanding of its own rule thus forecloses Boeing’s argument. As Boeing would have it, only the rare business that is operated by or an affiliate of *all* officers and *all* directors *collectively* would be subject to attribution. As the Commission has explained, however, the income and assets of any business that is operated by or an affiliate of *any* officer or *any* director must be attributed to the applicant. It would be truly irrational for the Commission, in multiple decisions, to measure the specific holdings of individual officers and directors only to suddenly conclude that none was a controlling interest.

*Second*, Boeing claims that the D&O Provision has no force and effect because it “is part of a definitional section that follows the statement of the general rules for *de facto* control,” and “[a] definition within a rule cannot change the substance of the rule itself.”<sup>27</sup> Here, Boeing throws the baby out with the bath water, because the general rules for *de facto* control that Boeing claims save the Boeing-Wyler Amendments are *also* contained within the “definitional section” of Section 1.2110.<sup>28</sup> More fundamentally, Boeing fails to acknowledge that the entire purpose of the controlling interest standard is to define which individuals and entities qualify as a controlling interest of an applicant. As a result, in this case, “definition” and “substance” are one and the same.<sup>29</sup>

*Finally*, Boeing and Wyler claim that the D&O Provision results in an officer or director’s holding of a controlling interest only to the extent that other “case-specific” facts and circumstances demonstrate day-to-day control over the applicant.<sup>30</sup> Simply put, that isn’t

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<sup>27</sup> Boeing Opposition at 5 (citations omitted).

<sup>28</sup> 47 C.F.R § 1.2110(c).

<sup>29</sup> See also *Northstar Wireless, LLC*, Memorandum Opinion and Order, 30 FCC Rcd 8887, 8919, ¶ 71 (2015) (finding that the “defin[itional]” provisions of Section 1.2110(c)(ii) “will, in and of [themselves], confer *de facto* control” on an applicant) (“*Northstar Wireless*”), remanded on other grounds in *SNR Wireless LicenseCo, LLC v. FCC*, 868 F.3d 1021, 1025 (D.C. Cir. 2017).

<sup>30</sup> Boeing Opposition at 4; SOM1101 Opposition at 15-17.

what the rule says. Using mandatory language, the D&O Provision states that “[o]fficers and directors of the applicant *shall* be considered to have a controlling interest in the applicant,” without qualification or any requirement for an additional evidentiary showing.<sup>31</sup> Thus, as the Wireless Bureau previously concluded, the holdings of “each director” are “*automatically* attributed to the applicant” under the D&O Provision.<sup>32</sup>

Boeing resists this conclusion by arguing that Section 1.2110(c)(5) transforms the D&O Provision’s mandatory directive into a mere suggestion. Like Wyler, however, Boeing confuses the Part 1 standard for *affiliates* and the Part 1 standard for *controlling interests*. For the purpose of “determining affiliation,” Boeing may be correct that “[c]ontrol can arise through stock ownership” or “occupancy of director, officer or key employee positions” depending on the facts of the case.<sup>33</sup> But the fact that the standard for *affiliation* may require more than occupancy of a director or officer position in some cases is irrelevant here, because the Commission already has determined that every individual or entity with a controlling interest in an NGSO applicant necessarily has an attributable interest in that applicant, regardless whether the individual or entity is also the applicant’s affiliate.<sup>34</sup>

Wyler, for his part, relies on *Northstar Wireless* to claim that the case-specific factors from the Commission’s *Intermountain Microwave* decision can supersede the D&O Provision.<sup>35</sup> But the Commission actually held the opposite in *Northstar Wireless*. Section

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<sup>31</sup> 47 C.F.R § 1.2110(c)(2)(ii)(F) (emphasis supplied).

<sup>32</sup> *Leap Wireless*, 19 FCC Rcd. at 14919 ¶ 23.

<sup>33</sup> 47 C.F.R. § 1.2110(c)(5).

<sup>34</sup> *Id.* § 25.159(c)(2). Moreover, as Iridium explained in its petition to deny, Wyler likely would qualify as an affiliate of OneWeb in any event. *See* Iridium Petition at 4 (“Critically, the Part 1 ‘affiliate’ standard also provides that ‘every business concern is considered to have one or more parties who directly or indirectly control or have the power to control it.’ If the founder, chief executive, board chairman, *and* a substantial equity holder does not qualify as a party with control over OneWeb, it is hard to imagine who else might.”).

<sup>35</sup> SOM1101 Opposition at 15-16 (asking the Commission to apply the six factors from its decision in *Intermountain Microwave* in lieu of the D&O Provision).

1.2110(c)(2)(ii) contains a number of rules in addition to the D&O Provision that, like the D&O Provision, “set forth” “specific criteria” under which *de facto* control “shall” be conferred.<sup>36</sup> These rules include Section 1.2110(c)(2)(ii)(H), which provides that managers with authority or influence over service offerings “shall be considered to have a controlling interest” in an applicant.<sup>37</sup> In *Northstar Wireless*, the Commission determined that so long as the “specific criteria” described in Section 1.2110(c)(2)(ii)(H) are met, the rule “will, *in and of itself*, confer de facto control on the manger.”<sup>38</sup> No further showing or weighing of factors would be required.

The same reasoning applies with equal force to the D&O Provision, which appears just a few lines down in Section 1.2110(c)(2)(ii)(F) and contains the exact same mandatory language. As a result, the Commission’s decision in *Northstar Wireless*—which was affirmed in relevant part by the D.C. Circuit—forecloses the Applicants’ argument that further inquiry is necessary to determine whether Wyler is a controlling interest.

### **III. THE BOEING-WYLER AMENDMENTS ARE MAJOR AMENDMENTS.**

Under Section 25.116 of the Commission’s rules, an application will be removed from a processing round if it undergoes a major amendment after the applicable cut-off date.<sup>39</sup> For purposes of this rule, amendments “determined by the Commission . . . to be substantial pursuant to section 309 of the Communications Act” will be treated as major.<sup>40</sup> Section 309 distinguishes substantial amendments as those that require the release of public notice prior to grant, and provides examples of insubstantial amendments to include applications for

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<sup>36</sup> *Northstar Wireless* ¶ 71.

<sup>37</sup> 47 C.F.R § 1.2110(c)(2)(ii)(H).

<sup>38</sup> *Northstar Wireless* ¶ 71 (emphasis supplied).

<sup>39</sup> See 47 C.F.R. § 25.116(c).

<sup>40</sup> *Id.* § 25.116(b)(4).

extensions of time, “minor change[s] in the facilities of an authorized station,” and involuntary assignments or transfers.<sup>41</sup>

As Iridium explained, the Boeing-Wyler Amendments plainly qualify as substantial, and therefore major, amendments to Boeing’s pending applications. The Commission already has determined that the Boeing-Wyler Amendments warrant public notice.<sup>42</sup> Moreover, Boeing and Wyler do not seek any of the relief that the statute classifies as minor, and instead seek to substitute a new applicant with different qualifications and interests, including a controlling interest in another prospective co-frequency NGSO operator.

The Applicants nevertheless claim that the applications should remain in the current processing rounds because the Commission repealed its rule requiring the processing of transfers of control as major amendments.<sup>43</sup> But the one does not follow from the other. To start, there is no transfer of control to speak of between Boeing and Wyler. More importantly, the transaction that Boeing and Wyler have engineered falls outside the scope of transactions that the Commission sought to accommodate when it streamlined processing of transfer-of-control applications. The Commission repealed its rule to avoid “deter[ring] legitimate business transactions” in which “pending satellite applications would appear to be a small consideration.”<sup>44</sup> Unlike the “legitimate business transactions” that the repeal sought to promote, however, the transaction underlying the Boeing-Wyler Amendments would accomplish little more than the sale of two pending satellite applications.

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<sup>41</sup> See 47 U.S.C. § 309(c)(2).

<sup>42</sup> See Iridium Petition at 6-7. See also Public Notice, *Space Station Applications Accepted for Filing*, Rep. No. SAT-01294 (rel. Jan. 12, 2018).

<sup>43</sup> SOM1101 Opposition at 36-38; Boeing Opposition at 19.

<sup>44</sup> 2003 Report and Order ¶ 137.

Moreover, when it repealed the rule, the Commission explicitly stated that it would *not* process transfers in control as minor amendments if doing so would allow applicants to skirt the prohibition against multiple ownership. The Commission specifically warned applicants that “[i]n the event of a merger, the limits on pending applications and unbuilt satellites will apply to the new company, and [the new company] will be required to withdraw applications to the extent that it exceeds those limits.”<sup>45</sup> Thus, the Commission made clear satellite applicants cannot have it both ways. If the Commission permits an applicant to transfer control without losing its place in line, the rule against multiple ownership will be strictly enforced.

#### **IV. THE COMMISSION SHOULD ENFORCE ITS RULES.**

Boeing’s apply-now sell-later behavior, if accepted by the Commission, would undermine the integrity of the Commission’s processing rounds, require incumbent licensees to waste significant resources monitoring, evaluating, and responding to speculative applications, and create unnecessary uncertainty about the future operating environment for satellite systems.<sup>46</sup> As Iridium has explained, the risk of harm here is substantial, given the significant evidence that Boeing has engaged in speculation. Boeing purports to have changed its mind, but that is what every speculator says when it identifies a willing buyer. Significantly, Boeing’s change in direction comes less than *one year* after it filed its most recent application.<sup>47</sup> And what has occurred during that time? Interest in NGSO services has mushroomed. NGSO systems have secured financing in large amounts. And a regulatory

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<sup>45</sup> *Id.* ¶ 140 n.315.

<sup>46</sup> Iridium Petition at 5-6.

<sup>47</sup> Public Interest Statement at 3.

framework for operating NGSO systems in the United States has been developed. These are hardly the sort of developments that would cause a serious applicant to bail.

Moreover, Boeing clearly will benefit from the proposed substitution of Wyler; the Applicants admit to “an arrangement” pursuant to which Boeing will “provide manufacturing and advisory service[s]” for Wyler’s LLC.<sup>48</sup> And the only evidence Boeing has offered to the contrary is that it has advocated on spectrum issues, an effort that says practically nothing about whether Boeing’s filing was speculative. Given all these factors, the waiver sought by the Applicants would undermine the multiple ownership rule’s purpose of combating speculation,<sup>49</sup> and should be denied by the Commission.

Boeing attempts to downplay these public interest harms. It claims that the “substitution of [Wyler] for Boeing as the applicant is a legitimate business transaction, not speculation,” and once again points to its “advoca[cy] before the Commission and the ITU” as proof of its good faith.<sup>50</sup> But even under the lenient standard that Boeing claims should apply, mere advocacy on spectrum issues is not enough. The Commission must consider whether Boeing “made serious efforts to develop a satellite or constellation.”<sup>51</sup> Boeing has shown no such efforts; indeed, it has not provided any evidence that its expansion into the satellite operator business existed beyond the pages of its regulatory submissions. Accordingly, the Commission should reject Boeing’s claims that it has not engaged in speculation.

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<sup>48</sup> *Id.*

<sup>49</sup> *See 2003 Report and Order* ¶¶ 86, 228-233.

<sup>50</sup> Boeing Opposition at 21.

<sup>51</sup> *Id.* at 16 n.46 (quoting *Amendment of the Commission’s Space Station Licensing Rules and Policies*, Second Order on Reconsideration, 31 FCC Rcd 9398, 9404, ¶ 15 (2016)).

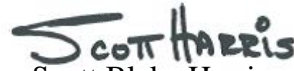
**V. CONCLUSION**

Boeing and Wyler's arguments have certainly been creative, if not convoluted. But the Commission's rules and precedent are as clear as the English language will allow, and they require the Commission to deny the Boeing-Wyler Amendments. At a minimum, if the Boeing-Wyler Amendments are granted, the Commission must remove the pending Boeing applications from the current Ka- and V-band processing rounds.

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## CERTIFICATE OF SERVICE

I hereby certify that on March 9, 2018, a copy of the foregoing Reply of Iridium

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