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Policy Bra International Bureau

July 20, 2006

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Federal Communications Commission Office of Secretary

Ms. Marlene H. Dortch Federal Communications Commission 445 12<sup>th</sup> Street, SW

**BY HAND DELIVERY** 

Washington, DC 20554

Re: IBFS Application File Nos. SAT-LOA-19970962-00151-154; SAT-LOA-19970926-00156; SAT-AMD-20011103-0154; SAT-MOD-20020717-00116-119; SAT-MOD-20020717-00107-110; and SAT-MOD-20020722-00112

Dear Ms. Dortch:

On July 20, 2006, Motient Corporation ("Motient") and TerreStar Networks, Inc. ("TerreStar"), by counsel, filed the attached *ex parte* notification and related Opposition to Motion via the Commission's ECFS. We hereby request that the same notification and Opposition also be associated with the above-referenced applications pending before the International Bureau.

Please direct questions concerning this matter to the undersigned.

SAT-LOA-19970926-0151/52/53/54/56 SAT-AMD-20001103-00154 SAT-MOD-20020717-00116/17/18/19 SAT-MOD-20020722-00107/08/09/10/12

Sincerely,

Henry Goldberg) Attorney for Motient Corporation

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THOMAS S. TYCZ\* SENIOR POLICY ADVISOR \*NOT AN ATTORNEY

July 20, 2006

Electronic Filing

Ms. Marlene H. Dortch Federal Communications Commission 445 12<sup>th</sup> Street, SW Washington, DC 20554

> Re: Motient Corporation and TerreStar Networks, Inc. WC Docket No. 06-106 IBFS Application File Nos. SAT-LOA-19970962-00151-154; SAT-LOA-19970926-00156; SAT-AMD-20011103-0154; SAT-MOD-20020717-00116-119; SAT-MOD-20020717-00107-110; and SAT-MOD-20020722-00112 Notification of Ex Parte Presentation

Dear Ms. Dortch:

On July 19, 2006, the undersigned and Amy Mehlman, of Mehlman Capitol Strategies, Inc., representing Motient Corporation ("Motient"), and Sasha Field, Vice President for Regulatory Affairs for TerreStar Networks, Inc. ("TerreStar"), met with Emily Willeford, Advisor and Deputy Chief of Staff to Chairman Martin, to discuss matters related to the above-captioned transfer of control application and recent ex parte filings by Globalstar.

During the course of that discussion, it was noted that recent filings by Highland Capital Management, L.P. ("Highland") with respect to the above-captioned transfer of control application are out of time, inaccurate, extraneous and should be dismissed immediately. This position is stated fully in Motient's Opposition to Highland's motion to accept late-filed comments, which is attached hereto. Additionally, with respect to Globalstar's ex partes, its Petition for Reconsideration regarding its S-band licenses was

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Marlene H. Dortch July 20, 2006 Page 2

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addressed in terms of the need for the Commission to dismiss the Petition expeditiously, which position has been expressed by TMI/TerreStar in IB Docket Nos. 02-364, 05-220, and 05-221.

Please direct questions concerning this matter to the undersigned.

Sincerely,

Henry Idelberg

Henry Goldberg Attorney for Motient Corporation

Attachment

cc: Emily Willeford

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

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In the Matter of 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

# **OPPOSITION TO MOTION TO ACCEPT LATE-FILED COMMENTS**

Motient Corporation ("Motient"), by its attorneys, hereby opposes the Motion to Accept Late-Filed Comments ("Motient") that was filed by Highland Capital Management, LP ("Highland") on July 18, 2006.<sup>1</sup>

Highland requests that the Commission accept its Comments, which are in the nature of an opposition, as if they had been timely filed. The e-mail that is attached to Highland's Motion suggest that, in addition to wanting its Comments to be accepted, Highland seeks to become a "party" to this proceeding so that it may "seek reconsideration" or "appeal to the courts" if it is not satisfied with the Commission's decision in this matter.<sup>2</sup>

Highland's request is inconsistent with the explicit terms of the public notice soliciting comments. The public notice states that in order to become a party to the proceeding, interested parties had to file comments or petitions to deny, and that all comments and petitions to deny were due "no later than July 17, 2006."<sup>3</sup> As Highland acknowledges, its comments were not received by the Commission's Electronic Comment Filing System ("ECFS") until July 18, 2006,

<sup>1</sup> Motient is a party to the transfer of control applications that are the subject of the above-captioned proceeding. <sup>2</sup> Highland Motion, Exhibit 1.

<sup>3</sup> Public Notice, 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, released June 16, 2006 ("Public Notice").

and therefore were one day late.<sup>4</sup> Highland's request also runs counter to Section 25.154(a) of the Commission's rules,<sup>5</sup> which states that "[p]etitions to deny ... and other objections or comments must ... [b]e filed within thirty (30) days after the date of public notice announcing the acceptance for filing of the application ... ."

There are no extenuating circumstances that would warrant accepting Highland's late filing.<sup>6</sup> Although Highland had a full 30 days to prepare its Comments, it waited until not the 11<sup>th</sup> hour, but the 24<sup>th</sup> hour, to begin uploading its filing to ECFS. In doing so, Highland bore the risk that it would miss the deadline that the Commission had imposed. All of the matters addressed in Highland's Comments could have been addressed within the 30-day comment period. It was completely within Highland's control, therefore, when to begin uploading its filing and Highland should be held responsible for its actions.

The only rationale Highland offers for excusing its tardiness is that accepting its Comments purportedly would "shed as much light as possible on the complex substantive issues raised by the application …" and "provide the Commission with a more complete record upon which to base its decision."<sup>7</sup> A review of Highland's Comments, however, reveals that Highland has provided no information that is material to the Commission's deliberations, including its extended tutorial on the Mobile Satellite Service.<sup>8</sup> Indeed, even the non-germane information that Highland provided in its comments is substantially inaccurate and harmful as to both Motient and TerreStar Networks Inc. ("TerreStar").

<sup>&</sup>lt;sup>4</sup> Highland Motion at 1.

<sup>&</sup>lt;sup>5</sup> 47 C.F.R. § 25.154.

<sup>&</sup>lt;sup>6</sup> Section 1.46(b) of the Commission's rules, 47 C.F.R. § 1.46(b), states that the Commission will consider motions for acceptance of late-filed comments only in "emergency situations."

<sup>&</sup>lt;sup>7</sup> Highland Motion at 2.

<sup>&</sup>lt;sup>8</sup> Highland Comments at 5-8.

In their transfer of control applications, the parties demonstrated that the proposed transaction, by rationalizing MSV's ownership structure, will enable MSV to attract capital more easily and will facilitate MSV's efforts to enter into strategic partnerships. Highland has shown nothing to the contrary.

Highland devotes substantial portions of its Comments to the potential impact of the parties' proposed transaction on TerreStar. Despite its supposed concern for TerreStar, Highland has never sought to inform itself directly about TerreStar's business plan and management. As a result, its statements about TerreStar's alleged dependency upon MSV for IP, technical expertise and management abilities are unfounded and potentially harmful. Indeed, by interposing an unwarranted, false, late, and non-germane pleading in this proceeding, Highland is only complicating TerreStar's implementation of its business plan and its initiation of service to the public. Highland should know that TerreStar is not a party to the transfer of control applications.

Finally, Highland asserts that the Commission must take into account facts that may be developed in a lawsuit it has filed in Travis County, Texas seeking to rescind the agreement between Motient and SkyTerra that gave rise to the MSV transfer of control applications.<sup>9</sup> In the lawsuit, Highland makes claims under federal securities laws and seeks a declaratory ruling under state contract laws.<sup>10</sup>

Highland's lawsuit, however, is governed by different standards and principles than those that are applicable here. The Commission will evaluate in this proceeding whether the proposed transfer of control of MSV is in the public interest, not whether the agreement between Motient and SkyTerra satisfies securities law requirements or whether the agreement is enforceable. As a

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<sup>&</sup>lt;sup>9</sup> Highland Comments at 14-17.

 <sup>&</sup>lt;sup>10</sup> See Plaintiffs' Original Petition, Cause No. D-1-GN-06-002219 (District Court, Travis County, Texas), filed June 19, 2006.

result of the different standards that apply in securities laws and contractual contexts, the Commission has long refused to provide a forum for private contractual disputes or for discontented shareholders seeking to raise issues relating to corporate management practices.<sup>11</sup> Consistent with these precedents, the Commission need not await developments in Highland's state court proceeding before acting upon the transfer of control applications that are before it. In any event, the Commission has ample authority, independent of any state court proceedings, to ascertain the facts it needs to make a public interest determination.

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<sup>&</sup>lt;sup>11</sup> See Comsat Corporation, 13 FCC Rcd. 2714 at ¶ 33 (corporate law and the Securities and Exchange Commission, rather than the Commission, are the appropriate venues for discontented shareholders to raise issues relating to corporate management practices) (1997); *id.* at ¶ 14 (issues concerning the relations between a company and its shareholders was "governed by corporate and securities law" and was not relevant to the Commission's deliberations). See also Loral Satellite, Inc. (Debtor-in-Possession) and Loral SpaceCom Corp. (Debtor-in-Possession), Assignors, and Intelsat North America, LLC, Assignee, Order and Authorization, 19 FCC Rcd 2402, 2420, ¶ 37 (Int'l Bur. 2004) (absent a showing of a violation of the Commission's rules or federal statute, the Commission is not the proper forum to raise private contractual disputes).

# CONCLUSION

Accordingly, and for the reasons stated herein, Highland's Motion should be denied and its late-filed Comments should not be accepted. In light of the fact that no other objections have been filed,<sup>12</sup> moreover, the Commission should eliminate the reply portion of the pleading cycle that it initially had established.<sup>13</sup> In the absence of objections, there is no party that needs to file a reply.

Respectfully submitted,

# MOTIENT CORPORATION

By: /s/ Henry Goldberg Henry Goldberg Joseph A. Godles

GOLDBERG, GODLES, WIENER & WRIGHT 1229 Nineteenth Street, N.W. Washington, DC 20036 (202) 429-4900 *Its Attorneys* 

July 20, 2006

<sup>&</sup>lt;sup>12</sup> Although it did not file an objection, the Department of Justice, with the concurrence of the Department of Homeland Security, has filed a routine request asking that action on the transfer of control applications be deferred pending resolution of potential issues that are within its purview. *See* letter, dated July 17, 2006, Sigal P. Mandelker, Deputy Assistant Attorney General, to Marlene H. Dortch, FCC. <sup>13</sup> *See* Public Notice, p. 1.

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Opposition to Motion to Accept Late-Filed Comments was sent by hand this 20th day of July, 2006, to the following:

Judith L. Harris James P. Schulz Reed Smith, LLP 1301 K Street, NW Suite 1100 – East Tower Washington, DC 20005 Counsel for Highland Capital Management LP

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/s/ Jennifer Tisdale\_\_\_\_\_ Jennifer Tisdale