

ORIGINAL

## LEVENTHAL SENTER & LERMAN PLLC

October 18, 2007

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# FILED/ACCEPTED

OCT 1 8 2007

Federal Communications Commission Office of the Secretary

Marlene H. Dortch Secretary Federal Communications Commission 445 Twelfth Street, S.W., Room TW-B204 Washington, D.C. 20554

**BY HAND DELIVERY** 

Re: Applications of Hughes Communications, Inc. (File Nos. SAT-T/C-20070904-00119 and SAT-STA-20070906-00120), HNS Licensee Sub, LLC (SES-T/C-20070905-01228, SES-T/C-20070905-01229 & SES-T/C-20070905-01230), and HNS Licensee Sub, Ltd. (SES-T/C-20070905-01231)

Dear Ms. Dortch:

Hughes Communications, Inc. ("HCI"), HNS License Sub, LLC ("HNS LLC"), and HNS License Sub, Ltd. ("HNS Ltd.")(collectively, "Hughes"), by their attorneys and pursuant to Section 1.65 of the Commission's Rules (47 C.F.R. § 1.65), hereby provide additional information relevant to the above-referenced applications. Through these applications Hughes seeks Commission approval for the transfer of control of the licenses held by HCI, HNS LLC and HNS Ltd.

As reported to FCC staff in meetings concerning the above-referenced applications, the information contained in Hughes original applications is being clarified to provide greater precision concerning the intervening entities through which BRH Holdings GP, Ltd. exercises control over the three licensee entities. In particular, Hughes makes the clarifications set forth below, each of which is reflected in the revised version of Exhibits E & F submitted herewith. In each paragraph below, new language is indicated by bold/double-underlined text and deleted language is indicated by strikethrough text.

(1) The paragraph at the bottom of page 6 of Exhibits E & F, concerning Apollo Global Management, LLC, is modified to read in its entirety as follows:



LEVENTHAL SENTER & LERMAN PLLC

Ms. Marlene Dortch October 17, 2007 Page 2 of 3

> Apollo Global Management LLC is the sole member of APO Asset Co. LLC, and in that capacity has complete and exclusive responsibility for all management decisions to be made on behalf of APO Asset Co. LLC, and for the conduct of the business and affairs of APO Asset Co. LLC. As further described in Section III.B.2 below, <u>by the terms of the</u> <u>organizational documentsBRH Holdings GP, Ltd.</u>, the controlling <u>member</u> of Apollo Global Management, LLC <u>appointing AGM</u> <u>Management, LLC as manager</u>, has delegated the management, operation and control of Apollo Global Management, LLC to is vested in AGM Management, LLC.

(2) The first paragraph at the top of page 7 of Exhibits E & F, concerning BRH Holdings GP, Ltd., is modified and an additional paragraph is added to read as follows:

BRH Holdings GP, Ltd. holds approximately 87% of the voting membership interests of, and thus is the controlling member of, Apollo Global Management, LLC. In that capacity, the management, operation and control of Apollo Global Management, LLC is vested in BRH Holdings GP, Ltd. <u>These voting membership interests effectively</u> <u>provide BRH with investor protections because the management,</u> <u>operation and control of Apollo Global Management is vested in</u> <u>AGM Management, LLC.</u>

## **BRH Holdings GP, Ltd. also is the sole member of AGM** Management, LLC. Information regarding the ownership of AGM Management, LLC.is set forth in Section III.B.2 below.

(3) The final two paragraphs of Exhibits E & F on pages 9 and 10, concerning APO Corp., are modified to read in their entirety as follows:

By the terms of the organizational documents of Apollo Global Management, LLC appointing AGM Management, LLC as manager, the management, operation and control of Apollo Global Management, LLC is vested in AGM Management, LLC, BRH Holdings GP, Ltd. has delegated the management, operation and control of Apollo Global Management, LLC to AGM Management, LLC, a Delaware limited liability company. In such capacity, AGM Management, LLC has full authority to act on behalf of and to bind Apollo Global Management, LLC in all respects, including, without limitation, the authority to negotiate, complete, execute and deliver any and all



## LEVENTHAL SENTER & LERMAN PLLC

Ms. Marlene Dortch October 17, 2007 Page 3 of 3

> agreements, deeds, instruments, receipts, certificates and other documents on behalf of the Apollo Global Management, LLC, and to take all such other actions on behalf of Apollo Global Management, LLC as AGM Management, LLC may consider necessary or advisable in connection with the management of Apollo Global Management, LLC.

> BRH Holdings GP, Ltd.<del>, the controlling member of Apollo Global</del> Management, LLC, also is the sole member of AGM Management, LLC. Information regarding the ownership of BRH Holdings GP, Ltd. is set forth in Section III.B.I above.

In addition to these changes to the text of Exhibits E & F, Hughes is also providing a revised version of Attachment 3 to the applications, which reflects in chart form the revisions described above.

Should there by any questions concerning this matter, please contact the undersigned counsel.

Respectfully submitted,

Stephen D. Baruch

David S. Keir Counsel for Hughes Communications, Inc., HNS License Sub, LLC and HNS License Sub, Ltd.

Enclosures

cc (w/encl.): Karl Kensinger (FCC) Susan O'Connell (FCC) Steven Doiron (Hughes) **Revised Exhibits E & F** 

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FCC Form 312 Exhibits E & F Page 1 of 10 (Revised October 18, 2007)

### Exhibits E & F Response to Questions 43, A.20 and A.21 Description of Transaction/Public Interest Statement/Ownership and Control

The instant application is one of six contemporaneously filed applications ("Applications") that together seek consent of the Federal Communications Commission ("FCC" or "Commission") to a transfer of control of Hughes Communications, Inc. ("HCI") and two of HCI's indirect subsidiaries – HNS License Sub, Limited and HNS License Sub, LLC (together, the "HNS Licensees") – from Apollo Capital Management IV, Inc. and AIF IV Management, Inc. (together, "Apollo IV") to BRH Holdings GP, Ltd. ("BRH Holdings") pursuant to a reorganization ("Apollo Reorganization") of Apollo IV, together with its affiliated investment management entities ("Apollo"). HCI is the holder of a non-common carrier satellite space station authorization for the SPACEWAY 3 satellite. The HNS Licensees are the holders of several non-common carrier earth station authorizations and Experimental Radio Service authorizations used in connection with the business of providing VSAT services and manufacturing communications equipment.

Apollo is a global alternative asset manager, with a proven track record of successful private equity, distressed debt and mezzanine investing. The Apollo Reorganization was effectuated pursuant to a three-step transaction, the final step of which was consummated on August 8, 2007. In the second step of this transaction, which was consummated on July 13, 2007, control of HCI and the HNS Licensees was transferred from Apollo IV, which was controlled by Leon Black, to BRH Holdings, which is controlled equally by Leon Black, Marc Rowan, and Joshua Harris (with Leon Black having certain veto rights, as explained below). Like Apollo founder Mr. Black, Messrs. Rowan and Harris are co-founders and long-time principals of Apollo.

Prior to the Apollo Reorganization, HCI was controlled by five entities affiliated with Apollo (the "Apollo Stockholders"). Leon Black was the sole shareholder of Apollo IV, which indirectly controlled the Apollo Stockholders. The Apollo Stockholders held approximately 63% of the stock of Hughes at the time Apollo IV acquired control of Hughes in early 2006. The organizational structure of Apollo's ownership in HCI, as approved by the Commission pursuant to an assignment of license application (File No. SAT-ASG-20050826-00168) that was consummated on February 21, 2006, is depicted in Attachment 2 to this Exhibit.

Pursuant to the Apollo Reorganization, a series of intermediate entities has been inserted into the chain of ownership. In addition, pursuant to the Apollo Reorganization, control of HCI and the HNS Licensees has been transferred from Apollo IV to BRH Holdings. Apollo's control of BRH Holdings is now exercised equally by Apollo principals Leon Black, Marc Rowan, and Joshua Harris. However, Leon Black has the right to veto certain major decisions relating to Apollo, such as the appointment of any director to the board of directors of Apollo. The organizational structure of Apollo's ownership in HCI following the Apollo Reorganization is depicted in Attachment 3 to this Exhibit. HCI and HCI's regulatory counsel learned of the Apollo Reorganization for the first time on August 23, 2007. HCI understands that the Communications Act and the Commission's rules require prior Commission consent to any transfer of control of a Commission Title III authorization. HCI acknowledges that such prior consent was not obtained before the transfer of control of HCI described herein was consummated. As soon as HCI was able to ascertain the facts relating to the Apollo Reorganization, HCI prepared and filed a letter (a copy of which is appended hereto as Attachment 1) apprising the Commission of the transfer of control, and indicating that the applications necessary to obtain the requisite Commission consent would be submitted as soon as was practicable. Accordingly, HCI is promptly filing the Applications in order to seek the requisite FCC consent.

FCC approval of the Applications will serve the public interest, convenience, and necessity because the Apollo Reorganization enhances the flexibility of the capital structure of Apollo, and thus, of HCI and the HNS Licensees. Approval will also ensure that the ownership of HCI and the HNS Licensees will be accurately reflected in the Commission's records.

Further information about the ownership of HNS License Sub, LLC and HNS License Sub, Limited is set forth below.

#### I. HNS License Sub, LLC

Address:	HNS License Sub, LLC
	11717 Exploration Lane
	Germantown, Maryland 20876
Citizenship:	Delaware
Primary Business:	Holding licenses

HNS License Sub, LLC is a wholly owned subsidiary of Hughes Network Systems, LLC.

#### II. HNS License Sub, Limited

HNS License Sub, Limited
Sunrise Parkway
Linford Wood
Milton Keynes MK 14 6LS
United Kingdom
United Kingdom
Holding licenses

HNS License Sub, Limited is a wholly owned subsidiary of Hughes Network Systems, Ltd., a U.K. general partnership company. Hughes Network Systems, Ltd. is a wholly owned subsidiary of Hughes Network Systems Europe, Ltd., a U.K. holding company. Hughes Network Systems Europe, Ltd. is a wholly owned subsidiary of Hughes Network Systems, LLC.

FCC Form 312 Exhibits E & F Page 3 of 10 (Revised October 18, 2007)

#### III. Hughes Network Systems, LLC

Address:	Hughes Network Systems, LLC
	11717 Exploration Lane
	Germantown, Maryland 20876
Citizenship:	Delaware
Primary Business:	Providing VSAT services

Hughes Network Systems, LLC is a wholly owned subsidiary of Hughes Communications, Inc.

#### **IV.** Hughes Communications, Inc.

Address:	Hughes Communications, Inc. 11717 Exploration Lane Germantown, Maryland 20876
Citizenship: Primary Business:	Delaware Hughes Communications, Inc. is responsible for the management, operation, and control of the business and affairs of Hughes Network Systems, LLC.

The equity and voting interests in Hughes Communications, Inc. are described below.

A. Equity interests in Hughes Communications, Inc.<sup>1</sup>

The Apollo Stockholders are Apollo Investment Fund IV, L.P., Apollo Overseas Partners IV, L.P., AP/RM Acquisition LLC, AIF IV/RRRR LLC, and ST/RRRR LLC. The Apollo Stockholders collectively hold a direct equity interest of at least 64.9 % in HCI. The remaining equity interests are widely-distributed among HCI's other stockholders. No other entity or individual would hold a direct or indirect equity interest in HCI of 10% or more.

The names, addresses, citizenship, primary business and equity interest in HCI of each of the Apollo Stockholders is as follows:

<sup>&</sup>lt;sup>1</sup> Equity interests in Hughes Communications, Inc. have been calculated on a fully diluted basis.

FCC Form 312 Exhibits E & F Page 4 of 10 (Revised October 18, 2007)

Apollo Investment Fund IV, L.P. Address:

> Citizenship: Primary Business: Equity interest in HCI:

Apollo Overseas Partners IV, L.P. Address:

> Citizenship: Primary Business: Equity interest in HCI:

AP/RM Acquisition LLC Address:

> Citizenship: Primary Business: Equity interest in HCI:

AIF IV/RRRR LLC Address:

> Citizenship: Primary Business: Equity interest in HCI:

## ST/RRRR LLC

Address:

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Citizenship: Primary Business: Equity interest in HCI: Two Manhattanville Road Purchase, NY 10577 Delaware Investment in securities 53.1%

c/o Walkers SPV Limited PO Box 908GT Walker House Mary Street George Town, Grand Cayman Cayman Islands BWI Cayman Islands Investment in securities 2.7%

Two Manhattanville Road Purchase, NY 10577 Delaware Investment in HCI 2.2%

Two Manhattanville Road Purchase, NY 10577 Delaware Investment in HCI 4.1%

Two Manhattanville Road Purchase, NY 10577 Delaware Investment in HCI 2.8%

#### B. Voting interests in Hughes Communications, Inc.

The Apollo Stockholders hold 64.9% of the voting interests in HCI. The remaining voting interests are widely distributed among HCI's other stockholders, with no single such stockholder holding a voting interest of 10% or greater in HCI.

FCC Form 312 Exhibits E & F Page 5 of 10 (Revised October 18, 2007)

As described in greater detail below, the Apollo Stockholders' voting interests in HCI are ultimately, indirectly controlled by principals of Apollo through a series of intermediate subsidiaries and management arrangements:

1. Intermediate Subsidiaries

Apollo Advisors IV, L.P.	
Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	General partner of Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P.

Apollo Advisors IV, L.P. is the general partner of Apollo Investment Fund IV, L.P. and the managing general partner of Apollo Overseas Partners IV, L.P. In that capacity, the management, operation and control of Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P., including control over the voting and disposition of their interests in HCI, is vested exclusively in Apollo Advisors IV, L.P. As further described in Section III.B.2 below, Apollo Advisors IV, L.P. has delegated this authority, pursuant to a management agreement, to Apollo Management IV, L.P.

Apollo Capital Management IV, Inc.

Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	General partner of Apollo Advisors IV, L.P.

Apollo Capital Management IV, Inc. is the general partner of Apollo Advisors IV, L.P., and in that capacity has complete and exclusive responsibility for all management decisions to be made on behalf of Apollo Advisors IV, L.P. and for the conduct of the business and affairs of Apollo Advisors IV, L.P.

Apollo Principal Holdings I, L.P.

Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	Sole shareholder of Apollo Capital Management IV, Inc.

Apollo Principal Holdings I, L.P. is the sole shareholder of Apollo Capital Management IV, Inc., and in that capacity has complete and exclusive responsibility for all management

decisions to be made on behalf of Apollo Capital Management IV, Inc., and for the conduct of the business and affairs of Apollo Capital Management IV, Inc.

Apollo Principal Holdings I GP, LLC

Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	General partner of Apollo Principal Holdings I, L.P.

Apollo Principal Holdings I GP, LLC is the general partner of Apollo Principal Holdings I, L.P., and in that capacity has complete and exclusive responsibility for all management decisions to be made on behalf of Apollo Principal Holdings I, L.P., and for the conduct of the business and affairs of Apollo Principal Holdings I, L.P. Apollo Principal Holdings I GP, LLC is managed by a Board of Managers comprised of Apollo principals Leon Black, Marc Rowan, and Joshua Harris. Such Board of Managers generally has the sole right to manage the business of Apollo Principal Holdings I GP, LLC.

APO Asset Co. LLC

Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	Sole member of Apollo Principal Holdings I GP, LLC

APO Asset Co. LLC is the sole member of Apollo Principal Holdings I GP, LLC.

Apollo	Global	Management,	LLC
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Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	Sole member of APO Asset Co. LLC

Apollo Global Management LLC is the sole member of APO Asset Co. LLC, and in that capacity has complete and exclusive responsibility for all management decisions to be made on behalf of APO Asset Co. LLC, and for the conduct of the business and affairs of APO Asset Co. LLC. As further described in Section III.B.2 below, by the terms of the organizational documents of Apollo Global Management, LLC appointing AGM Management, LLC as manager, the management, operation and control of Apollo Global Management, LLC is vested in AGM Management, LLC.

FCC Form 312 Exhibits E & F Page 7 of 10 (Revised October 18, 2007)

BRH Holdings GP, Ltd.	
Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Cayman Islands
Primary Business:	Controlling member of Apollo Global Management, LLC

BRH Holdings GP, Ltd. holds approximately 87% of the voting membership interests of Apollo Global Management, LLC. These voting membership interests effectively provide BRH with investor protections because the management, operation and control of Apollo Global Management is vested in AGM Management, LLC.

BRH Holdings GP, Ltd. also is the sole member of AGM Management, LLC. Information regarding the ownership of AGM Management, LLC.is set forth in Section III.B.2 below.

Apollo principals Leon Black, Marc Rowan, and Joshua Harris are the sole stockholders and directors of BRH Holdings GP, Ltd. Information about Mr. Black, Mr. Rowan, and Mr. Harris is as follows:

Leon Black 9 West 57th Street Address: 43rd Floor New York, NY 10019 U.S. Citizenship: **Primary Business:** Investment Management Marc Rowan 9 West 57th Street Address: 43rd Floor New York, NY 10019 Citizenship: U.S. Primary Business: Investment Management Joshua Harris 9 West 57th Street Address: 43rd Floor New York, NY 10019 Citizenship: U.S. **Primary Business:** Investment Management

#### 2. Management Arrangements

Apollo Management IV, L.P. Address:

ss: 9 West 57th Street 43rd Floor New York, NY 10019 Citizenship: Delaware Primary Business: Management of the Apollo Stockholders

By the terms of (i) the organizational documents of AP/RM Acquisition, LLC, AIF IV/RRRR LLC, and ST/RRRR LLC appointing Apollo Management IV, L.P. as manager of those entities and (ii) separate management agreements through which Apollo Advisors IV, L.P. has delegated to Apollo Management IV, L.P. management, operation and control of Apollo Investment Fund IV, L.P. and Apollo Overseas Partners IV, L.P., Apollo Management IV, L.P., a Delaware limited partnership, is the manager of each of the Apollo Stockholders and, in such capacity, has full authority to act on behalf of and to bind the Apollo Stockholders in all respects, including, without limitation, the authority to negotiate, complete, execute and deliver any and all agreements, deeds, instruments, receipts, certificates and other documents on behalf of the Apollo Stockholders, and to take all such other actions on behalf of the Apollo Stockholders as Apollo Management IV, L.P. may consider necessary or advisable in connection with the management of the Apollo Stockholders.

Apollo Management, L.P.

Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	General partner of Apollo Management IV, L.P.

Apollo Management, L.P. is the general partner of Apollo Management IV, L.P., and in that capacity has complete and exclusive responsibility for all management decisions to be made on behalf of Apollo Management IV, L.P. and for the conduct of the business and affairs of Apollo Management IV, L.P., including all such decisions and all such business and affairs to be made or conducted by Apollo Management IV, L.P. in its capacity as manager of the Apollo Stockholders.

Apollo Management GP, LLC

Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	General partner of Apollo Management, L.P.

FCC Form 312 Exhibits E & F Page 9 of 10 (Revised October 18, 2007)

Apollo Management GP, LLC is the general partner of Apollo Management, L.P., and in that capacity has complete and exclusive responsibility for all management decisions to be made on behalf of Apollo Management, L.P. and for the conduct of the business and affairs of Apollo Management, L.P.

Apollo Management Holdings, L.P.

Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	Sole member and manager of Apollo Management GP, LLC

Apollo Management Holdings, L.P. is the sole member and manager of Apollo Management GP, LLC, and in that capacity has complete and exclusive responsibility for all management decisions to be made on behalf of Apollo Management GP, LLC and for the conduct of the business and affairs of Apollo Management GP, LLC.

Apollo Management Holdings GP, LLC

Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	Sole member of Apollo Management Holdings, L.P.

Apollo Management Holdings GP, LLC is the general partner of Apollo Management Holdings, L.P., and in that capacity has complete and exclusive responsibility for all management decisions to be made on behalf of Apollo Management Holdings, L.P. and for the conduct of the business and affairs of Apollo Management Holdings, L.P. Apollo Management Holdings GP, LLC is managed by a Board of Managers comprised of Apollo principals Leon Black, Marc Rowan, and Joshua Harris. Such Board of Managers generally has the sole right to manage the business of Apollo Management Holdings GP, LLC.

APO Corp.

Address:	9 West 57th Street
	43rd Floor
	New York, NY 10019
Citizenship:	Delaware
Primary Business:	Sole member of Apollo Management Holdings GP, LLC

APO Corp. is the sole member of Apollo Management Holdings GP, LLC.

The sole member of APO Corp. is Apollo Global Management, LLC. Information regarding the ownership of Apollo Global Management, LLC is set forth in Section III.B.I above. APO Corp. is managed by a Board of Directors comprised of Leon Black, Marc Rowan, and

Joshua Harris. Such Board of Directors generally has the sole right to manage the business of APO Corp.

By the terms of the organizational documents of Apollo Global Management, LLC appointing AGM Management, LLC as manager, the management, operation and control of Apollo Global Management, LLC is vested in AGM Management, LLC, a Delaware limited liability company. In such capacity, AGM Management, LLC has full authority to act on behalf of and to bind Apollo Global Management, LLC in all respects, including, without limitation, the authority to negotiate, complete, execute and deliver any and all agreements, deeds, instruments, receipts, certificates and other documents on behalf of the Apollo Global Management, LLC, and to take all such other actions on behalf of Apollo Global Management, LLC as AGM Management, LLC may consider necessary or advisable in connection with the management of Apollo Global Management, LLC.

BRH Holdings GP, Ltd. also is the sole member of AGM Management, LLC. Information regarding the ownership of BRH Holdings GP, Ltd. is set forth in Section III.B.I above.

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**Revised Attachment 3** 

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