

FCC 312  
Main Form

FEDERAL COMMUNICATIONS COMMISSION  
APPLICATION FOR SATELLITE SPACE AND **RECEIVED** AUTHORIZATION

S2355 SAI-T/C-20021023-00221  
Wildblue Communications, Inc.  
S2355

Approved by OMB  
3060-0678  
Est. Avg. Burden Hours  
Per Resp. 11 min.

FCC Use Only  
File Number:

FCC/MELLON

OCT 23 2002

OCT 30 2002

Policy Division  
Internal Bureau INFORMATION

1. Legal Name of Applicant Wildblue Communications, Inc.		2. Voice Telephone Number 720-554-7400	
3. Other Name Used for Doing Business (if any)		4. Fax Telephone Number 720-554-7500	
5. Mailing Street Address or P.O. Box 7600 E. Orchard Road, Suite 360N ATTENTION: David M. Brown		6. City Greenwood Village	8. Zip Code 80111
9. Name of Contact Representative (if other than applicant) William M. Wiltshire		7. State / Country (if not U.S.A.) CO	10. Voice Telephone Number 202-730-1350
11. Firm or Company Name Harris, Wiltshire & Grannis LLP		12. Fax Telephone Number 202-730-1301	
13. Mailing Street Address or P.O. Box 1200 Eighteenth Street, N.W. ATTENTION:		14. City Washington	16. Zip Code 20036
		15. State / Country (if not U.S.A.) DC	

CLASSIFICATION OF FILING

17. Place an "X" in the box next to the classification that applies to this filing for both questions a. and b. Mark only one box for 17a and only one box for 17b.

<input type="checkbox"/> a1. Earth Station	<input type="checkbox"/> b1. Application for License of New Station	<input checked="" type="checkbox"/> b6. Transfer of Control of License or Registration
<input checked="" type="checkbox"/> a2. Space Station	<input type="checkbox"/> b2. Application for Registration of New Domestic Receive-Only Station	<input type="checkbox"/> b7. Notification of Minor Modification
	<input type="checkbox"/> b3. Amendment to a Pending Application	<input type="checkbox"/> b8. Application for License of New Receive-Only Station Using Non-U.S. Licensed Satellite
	<input type="checkbox"/> b4. Modification of License or Registration	<input type="checkbox"/> b9. Letter of Intent to Use Non-U.S. Licensed Satellite to Provide Service in the United States
	<input type="checkbox"/> b5. Assignment of License or Registration	<input type="checkbox"/> b10. Other (Please Specify):

18. If this filing is in reference to an existing station, enter:  
Call sign of station: **S2355**

19. If this filing is an amendment to a pending application enter:  
(a) Date pending application was filed: \_\_\_\_\_ (b) File number of pending application: \_\_\_\_\_

**TYPE OF SERVICE**

20. NATURE OF SERVICE: This filing is for an authorization to provide or use the following type(s) of service(s): Place an "X" in the box(es) next to all that apply.

- a. Fixed Satellite
- b. Mobile Satellite
- c. Radiodetermination Satellite
- d. Earth Exploration Satellite
- e. Direct to Home Fixed Satellite
- f. Digital Audio Radio Service
- g. Other (please specify) \_\_\_\_\_

21. STATUS: Place an "X" in the box next to the applicable status. Mark only one box.

- a. Common Carrier
- b. Non-Common Carrier

22. If earth station applicant, place an "X" in the box(es) next to all that apply.

- a. Using U.S. licensed satellites
- b. Using Non-U.S. licensed satellites

23. If applicant is providing INTERNATIONAL COMMON CARRIER service, see instructions regarding Sec. 214 filings. Mark only one box. Are these facilities:

- a. Connected to the Public Switched Network
- b. Not connected to the Public Switched Network

24. FREQUENCY BAND(S): Place an "X" in the box(es) next to all applicable frequency band(s).

- a. C-Band (4/6 GHz)
- b. Ku-Band (12/14 GHz)
- c. Other (Please specify) **Ka-band (18/29 GHz)**

**TYPE OF STATION**

25. CLASS OF STATION: Place an "X" in the box next to the class of station that applies. Mark only one box.

- a. Fixed Earth Station
- b. Temporary-Fixed Earth Station
- c. 12/14 GHz VSAT Network
- d. Mobile Earth Station
- e. Space Station
- f. Other (Specify) \_\_\_\_\_

If space station applicant, go to Question 27.

26. TYPE OF EARTH STATION FACILITY: Mark only one box.

- a. Transmit/Receive
- b. Transmit-Only
- c. Receive-Only

**PURPOSE OF MODIFICATION OR AMENDMENT**

27. The purpose of this proposed modification or amendment is to: Place an "X" in the box(es) next to all that apply.

- a -- authorization to add new emission designator and related service
- b -- authorization to change emission designator and related service
- c -- authorization to increase EIRP and EIRP density
- d -- authorization to replace antenna
- e -- authorization to add antenna
- f -- authorization to relocate fixed station
- g -- authorization to change assigned frequency(ies)
- h -- authorization to add Points of Communication (satellites & countries)
- i -- authorization to change Points of Communication (satellites & countries)
- j -- authorization for facilities for which environmental assessment and radiation hazard reporting is required
- k -- Other (Please Specify) \_\_\_\_\_

**ENVIRONMENTAL POLICY**

28. Would a Commission grant of any proposal in this application or amendment have a significant environmental impact as defined by 47 CFR 1.1307? If YES, submit the statement as required by Sections 1.1308 and 1.1311 of the Commission's rules, 47 C.F.R. §§ 1.1308 and 1.1311, as an exhibit to this application. A Radiation Hazard Study must accompany all applications as an exhibit for new transmitting facilities, major modifications, or major amendments. Refer to OET Bulletin 65.

- YES
- NO

**ALIEN OWNERSHIP**

29. Is the applicant a foreign government or the representative of any foreign government?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
30. Is the applicant an alien or the representative of an alien?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
31. Is the applicant a corporation organized under the laws of any foreign government?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
32. Is the applicant a corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
33. Is the applicant a corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
34. If any answer to questions 29, 30, 31, 32 and/or 33 is Yes, attach as an exhibit, the identification of the aliens or foreign entities, their nationality, their relationship to the applicant, and the percentage of stock they own or vote.		

**BASIC QUALIFICATIONS**

35. Does the applicant request any waivers or exemptions from any of the Commission's Rules? If Yes, attach as an exhibit, copies of the requests for waivers or exceptions with supporting documents.	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
36. Has the applicant or any party to this application had any FCC station authorization or license revoked or had any application for an initial, modification or renewal of FCC station authorization, license, or construction permit denied by the Commission? If Yes, attach as an exhibit, an explanation of the circumstances.	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
37. Has the applicant, or any party to this application, or any party directly or indirectly controlling the applicant ever been convicted of a felony by any state or federal court? If Yes, attach as an exhibit, an explanation of the circumstances.	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
38. Has any court finally adjudged the applicant, or any person directly or indirectly controlling the applicant, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement or any other means or unfair methods of competition? If Yes, attach as an exhibit, an explanation of the circumstances.	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
39. Is the applicant, or any person directly or indirectly controlling the applicant, currently a party in any pending matter referred to in the preceding two items? If Yes, attach as an exhibit, an explanation of the circumstances.	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
40. If the applicant is a corporation and is applying for a space station license, attach as an exhibit the names, addresses, and citizenship of those stockholders owning of record and/or voting 10 percent or more of the Filer's voting stock and the percentages so held. In the case of fiduciary control, indicate the beneficiary(ies) or class of beneficiaries. Also list the names and addresses of the officers and directors of the Filer.	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
41. By checking Yes, the undersigned certifies, that neither the applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance. See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes.	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
42a. Does the applicant intend to use a non-U.S. licensed satellite to provide service in the United States? If yes, answer 42b and attach an exhibit providing the information specified in 47 C.F.R. § 25.137, as appropriate. If no, proceed to question 43.	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
42b. What administration has licensed or is in the process of licensing the space station? If no license will be issued, what administration has coordinated or is in the process of coordinating the space station?		

43. Description. (Summarize the nature of the application and the services to be provided).  
**See Exhibit A hereto.**

Exhibit No.	Identify all exhibits that are attached to this application.
A	Description of Proposed Transaction, Public Interest Statement, and Alternative Waiver Request
B	Officers, Directors, and Ownership Structure

**CERTIFICATION**

The Applicant waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application. The applicant certifies that grant of this application would not cause the applicant to be in violation of the spectrum aggregation limit in 47 CFR Part 20. All statements made in exhibits are a material part hereof and are incorporated herein as if set out in full in this application. The undersigned, individually and for the applicant, hereby certifies that all statements made in this application and in all attached exhibits are true, complete and correct to the best of his or her knowledge and belief, and are made in good faith.

44. Applicant is a (an): (Place an "X" in the box next to applicable response.)  
 a. Individual     b. Unincorporated Association     c. Partnership     d. Corporation     e. Governmental Entity     f. Other (Please specify) \_\_\_\_\_

45. Typed Name of Person Signing  
 David M. Brown

46. Title of Person Signing  
 Vice President and General Counsel

47. Signature  


48. Date  
 10/16/02

**WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).**

**FEDERAL COMMUNICATIONS COMMISSION**  
**FCC 312 - Schedule A**  
 (Place an "X" in one of the blocks below)

**CONSENT TO TRANSFER OF CONTROL**       **CONSENT TO ASSIGNMENT OF LICENSE**  
 **NOTIFICATION OF TRANSFER OF CONTROL OF RECEIVE ONLY REGISTRATION**       **NOTIFICATION OF ASSIGNMENT OF RECEIVE ONLY REGISTRATION**

FCC Use Only

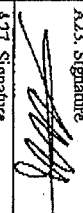
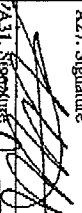

A1. Name of Licensee or Registrant <b>KaStarCom, World Satellite LLC</b>		A2. Voice Telephone Number <b>720-746-1996</b>	
A3. Mailing Street Address or P.O. Box <b>P.O. Box 1471</b>		A4. Fax Telephone Number <b>720-746-1896</b>	
ATTENTION: David Drucker		A6. State/Country (if not U.S.A.) <b>CO</b>	
A5. City <b>Evergreen</b>	A7. Zip Code <b>80437</b>	A9. No. of stations listed <b>1</b>	
A8. List Call Sign(s) of station(s) being assigned or transferred <b>S2355</b>			

A10. Name of Transferor/Assignor (if different than licensee or registrant) <b>Televerde Communications Corporation</b>		A11. Mailing Street Address or P.O. Box <b>P.O. Box 1471</b>		A12. City <b>Evergreen</b>		A13. State/Country <b>CO</b>	A14. Zip Code <b>80437</b>	A15. Name of Transferee/Assignee <b>Wildblue Communications, Inc.</b>	A16. Mailing Street Address or P.O. Box <b>7600 E. Orchard Road, Suite 360N</b>	A17. City <b>Greenwood Village</b>	A18. State/Country <b>CO</b>	A19. Zip Code <b>80111</b>
A20. If these facilities are licensed, is the transferee/assignee directly or indirectly controlled by any other entity? If Yes, attach as an exhibit, a statement (including organizational diagrams where appropriate) which fully and completely identifies the nature and extent of control including: (1) the name, address, citizenship, and primary business of the controlling entity and any intermediate subsidiaries or partners; and (2) the names, addresses, citizenship, and the percentages of voting and equity stock of those stockholders holding 10 percent or more of the controlling corporation's voting stock. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO												
A21. If these facilities are licensed, attach as an exhibit, a complete statement setting forth the facts which show how the assignment or transfer will serve the public interest.												

**CERTIFICATION**

1. The undersigned, individually and for licensee, certifies that all attached exhibits pertinent to Schedule A and all statements made in Schedule A of this application are true, complete and correct to the best of his/her knowledge and belief. The undersigned also certifies that any contracts or other instruments submitted herewith are complete and constitute the full agreement.

2. The undersigned represents that stock will not be delivered and that control will not be transferred until the Commission's consent has been received, but that transfer of control or assignment of license will be completed within 60 days of Commission consent. The undersigned also acknowledges that the Commission must be notified by letter within 30 days of consummation.

A22. Printed Name of Licensee (Must agree with A1) <b>KaStarCom, World Satellite LLC</b>	A23. Signature 	A24. Title (Office Held by Person Signing) <b>President</b>	A25. Date <b>10/16/02</b>
A26. Printed Name of Licensee/Assignor (if different than licensee. Must agree with A10) <b>Televerde Communications Corp.</b>	A27. Signature 	A28. Title (Office Held by Person Signing) <b>President</b>	A29. Date <b>10/16/02</b>
A30. Printed Name of Licensee/Transferee/Assignee (Must agree with A15) <b>Wildblue Communications, Inc.</b>	A31. Signature 	A32. Title (Office Held by Person Signing) <b>Dee Pres. List + General Counsel</b>	A33. Date <b>10/16/02</b>

**EXHIBIT A**

**Description of Proposed Transaction, Public Interest Statement, and  
Alternative Waiver Request**

Pursuant to Section 25.119 of the Commission's rules,<sup>1</sup> Televerde Communications Corporation ("Televerde") hereby requests authority to transfer control over KaStarCom. World Satellite, LLC ("KaStarCom") and its license to construct, launch, and operate a geostationary Ka-band satellite system to Wildblue Communications, Inc. ("Wildblue"), which shares two of the three orbital locations where KaStarCom is authorized to operate. By combining their assets and complementary licenses, the parties will create a stronger, more robust competitor in the satellite services market capable of utilizing valuable spectrum resources more efficiently, to the benefit of the American public.

**I. THE APPLICANTS**

**A. Wildblue**

Wildblue is a Delaware corporation. In the first Ka-band satellite processing round, Wildblue's wholly owned subsidiary, WB Holdings 1, LLC received a license to construct, launch, and operate satellites using 500 MHz of uplink and downlink spectrum each at the 109.2° W.L. and 73° W.L. orbital locations.<sup>2</sup> As the Commission has found,

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<sup>1</sup> 47 C.F.R. § 25.119.

<sup>2</sup> See *KaStar Satellite Communications Corp.*, 13 FCC Rcd. 1366 (Int'l Bur. 1997). KaStar was the corporate predecessor to WB Holdings 1 LLC. The specific frequencies to be used at each location are: 19.7-20.2 GHz (down) and 29.5-30.0 GHz (up) at 109.2° W.L., and 18.3-18.8 GHz (down) and 28.35-28.60/29.25-29.50 GHz (up) at 73° W.L. The Commission also granted Wildblue authority to use intersatellite link spectrum. See *WB Holdings 1 LLC*, 16 FCC Rcd. 2513 (Int'l Bur. 2001).

Wildblue met its initial construction milestone through a contract with Space Systems/Loral.<sup>3</sup> When complete the satellite will be capable of operating across the full 1000 MHz of Ka-band spectrum available at the 109.2° W.L. orbital location.

**B. KaStarCom and Televerde**

KaStarCom is a Delaware limited liability company. In the second Ka-band satellite processing round initiated in October 1997, KaStarCom requested assignment of two Ka-band orbital locations using the full 1000 MHz of spectrum available at each. As the processing round proceeded, KaStarCom modified its request by (1) identifying one new orbital location at which it proposed to use the full 1000 MHz available, and (2) dividing its other requested 1000 MHz orbital location into the two 500 MHz slots remaining at 109.2° W.L. and 73° W.L. At that time, KaStarCom proposed to operate jointly with Wildblue using a single satellite at each location.<sup>4</sup> The Commission granted KaStarCom's modified request, initially authorizing KaStarCom to operate using the full 1000 MHz of Ka-band spectrum available at the 111° W.L. orbital location<sup>5</sup> and soon thereafter granting KaStarCom's request to share the two orbital locations assigned to Wildblue.<sup>6</sup> Televerde, a Virginia corporation, is the sole Manager of KaStarCom and thus controls the company.

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<sup>3</sup> See Public Notice, Rep. No. SPB-179, DA 02-1432 (Int'l Bur., rel. June 18, 2002).

<sup>4</sup> See *KaStarCom. World Satellite, LLC*, 16 FCC Rcd. 20133, 20134 (Int'l Bur. 2001) (discussing KaStarCom's amended request).

<sup>5</sup> See *KaStarCom. World Satellite, LLC*, 16 FCC Rcd. 14322 (Int'l Bur. 2001).

<sup>6</sup> See *KaStarCom*, 16 FCC. Rcd. at 20133. This order also included authority to use intersatellite link spectrum at all three orbital locations.

## **II. Description of the Proposed Transaction**

Pursuant to a Stock Purchase Agreement, dated as of August 30, 2002, the members of KaStarCom (other than Wildblue)<sup>7</sup> will sell all of their interests in the company to Wildblue in exchange for shares of stock in Wildblue, subject to Commission approval.<sup>8</sup> Accordingly, the transaction is a true merger of interests – Wildblue will acquire control over KaStarCom and its assets while the former shareholders in KaStarCom will continue to hold an interest in those assets (as well as additional assets) through their ownership of Wildblue.

## **III. The Proposed Transaction Will Serve the Public Interest**

### **A. The Proposed Transaction Will Offer Substantial Public Benefits**

By allowing KaStarCom and Wildblue to pool their resources, the proposed transaction will create a stronger entity better able to compete in the market for broadband data services. Moreover, the transaction will allow the combined entity to achieve significant operational and spectral efficiencies through the deployment of an integrated system with access to the full complement of 1000 MHz of spectrum at 109.2° W.L. and 73° W.L. without the need to retain duplicative corporate structures and capabilities to satisfy licensing requirements, not to mention duplicative space and ground assets. As a result, the transaction is likely to expedite the delivery of next-generation satellite broadband services to the tens of millions of Americans who are currently unserved by terrestrial broadband systems.

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<sup>7</sup> As of August 1, 2002, Wildblue acquired a 45% interest in KaStarCom.

<sup>8</sup> KaStarCom interest holders will receive a total of 2840 shares of Wildblue common stock, which, if issued today, would comprise approximately 1.7% of the issued and outstanding shares of the company.



As the Commission is well aware, the downturn in the economy that began in 2000 has had an enormous impact on the telecommunications sector. The impact has been especially harsh for new entrants, and even more so for those seeking to deploy new technologies in capital-intensive, long-lead-time endeavors. Broadband satellite projects exemplify all of these criteria, as Ka-band satellites cost hundreds of millions of dollars to construct and launch while their commercial and technological viability has not yet been tested, much less proven. Even some of the largest and most established companies that had invested in Ka-band satellite projects – such as Lockheed Martin and EchoStar Communications -- have chosen to walk away rather than dedicate the additional money still needed to see their systems through to completion. Given current market conditions and the difficulties faced by the satellite broadband industry, it is highly unlikely that the capital markets will finance the deployment of all of the Ka-band satellite systems that have been proposed – and even less likely that two operators sharing half of two slots would get funding for duplicative infrastructure.

The Commission has consistently recognized that, because of their inherent capability to provide coverage to the entire United States, satellite systems are uniquely suited to extend affordable, high-quality communications services to all Americans, including those not served by terrestrial systems.<sup>9</sup> The proposed transaction will create an entity that is better able to provide such services, and to do so on a more expedited basis than either party could achieve alone.

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<sup>9</sup> See, e.g., *Establishment of Policies and Service Rules for the Mobile Satellite Service in the 2 GHz Band*, 15 FCC Rcd. 16127, 16208 (2000) (Statement of Chairman Kennard).

Moreover, the proposed combination of interests will have no adverse effects on competition. The broadband Internet access market is a nascent one in which satellite services compete with cable modem and DSL offerings from such large, well-funded terrestrial competitors as cable MSOs and the regional Bell Operating Companies. Thus far, satellite services are running a distant third to cable modems (the industry leader) and DSL. In fact, as of June 30, 2001, there were approximately 5.2 million customers in the United States accessing the Internet via cable and 2.7 million accessing it via DSL lines, compared to approximately 200,000 served by terrestrial wireless and satellite systems combined.<sup>10</sup> Neither Wildblue nor KaStarCom has yet entered this market, although both intend to do so. But even after the proposed transaction, there will be more than ten other Ka-band satellite licensees, many of whom have been licensed for more spectrum and slots than the combined KaStarCom/Wildblue would have. Accordingly, while the proposed transaction will create a stronger competitor, it will not result in any harm to competition in the relevant market.

**B. The Proposed Transaction Does Not Implicate the Anti-Trafficking Rule, or, In the Alternative, the Anti-Trafficking Rule Should Be Waived.**

Section 25.145(d) of the Commission's rules prohibits trafficking in Ka-band satellite licenses that have not been obtained through a competitive bidding procedure. The Commission has long defined trafficking as speculation, barter or trade in licenses to

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<sup>10</sup> See *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion*, Table 1, 17 FCC Rcd. 2844 (2002).

the detriment of the public interest.<sup>11</sup> In adopting service rules for Ka-band satellite licensees, the Commission stated that it would prohibit any Ka-band licensee from “selling a bare license for profit.”<sup>12</sup> This rule was designed to discourage speculators and prevent the unjust enrichment of those who do not implement their proposed systems.<sup>13</sup>

None of these policy goals are implicated by the proposed transaction. Because the proposed transaction is a merger of interests, it does not mark the end of the involvement of KaStarCom’s investors in the Ka-band satellite industry. Rather, those investors will continue to be part of that industry through their newly acquired interests in Wildblue, of which KaStarcom will be a part. Moreover, because there is already some commonality of ownership between the two companies, the transaction will effectively increase the existing share that some of Wildblue’s major shareholders have in the company while allowing them to rationalize their satellite assets into a more economically viable package.

Moreover, although valuation issues in closely held, start-up companies are rarely clear cut, in this case the KaStarCom investors will clearly be getting far less than they have already invested in the company. Those investors will receive, in the aggregate, a 1.7% interest in Wildblue. Based on valuations implied in transactions currently under negotiation with other potential investors in Wildblue, the value of this interest would be

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<sup>11</sup> See, e.g., *Applications for Voluntary Assignments or Transfers of Control*, 32 F.C.C. 689 (1962); *Amendment of Section 73.3597 of the Commission’s Rules*, 4 FCC Rcd. 1710 at ¶2 (1989).

<sup>12</sup> *Rulemaking to amend Parts 1,2,21, and 25 of the Commission’s Rules to Redesignate the 27.5-29.5 GHz Frequency Band to Establish Rules and Policies for Local Multipoint Distribution Service and for Fixed Satellite Services*, 12 FCC Rcd. 22310, 22339 (1997).

<sup>13</sup> See *KaStar 73 Acquisition, LLC*, 15 FCC Rcd. 1615, 1619 (Int’l Bur. 1999).

substantially less than the basis of the KaStarCom interest holders. Moreover, their interest in Wildblue will take the form of common stock and will have a lower claim on the firm's funds than the approximately \$340 million in preferred stock already outstanding plus any additional preferred stock issued to raise the funds required to complete the satellite system – which is currently anticipated to be several hundred million dollars.

In any event, even if this consideration were deemed to be more than KaStarCom investors had put into the company to date, strict enforcement of the anti-trafficking rule in this case would not be in the public interest. In fact, the Commission itself recently proposed that the rule be abolished for satellite services.<sup>14</sup> In doing so, the Commission recognized that the rule “may well prevent a satellite license from getting in the hands of the entity that values it the most and would, in fact, put it to its highest valued use in the shortest amount of time.”<sup>15</sup> Thus, facilitating the transfer of licenses could expedite service to the public more than enforcing the anti-trafficking rule. The Commission has also noted that construction milestones and other due diligence requirements – such as those in the Ka-band satellite service rules -- lessen its concern that the satellite licensing process may attract applicants filing purely for speculative purposes.<sup>16</sup>

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<sup>14</sup> See *Amendment of the Commission's Space Station Licensing Rules and Policies*, 17 FCC Rcd. 3847, 3883-84 (2002).

<sup>15</sup> *Id.* at 3884.

<sup>16</sup> *Constellation Communications, Inc.*, 11 FCC Rcd. 18502, 18515 (1996); *STARSYS Global Positioning, Inc.*, 11 FCC Rcd. 1237, 1238 and n. 16 (Int'l Bur. 1995).

Waiver is appropriate when it would not frustrate the policy objectives of the underlying rule and would otherwise serve the public interest.<sup>17</sup> For the reasons discussed above, the proposed transaction meets both of these requirements – especially since the Commission has proposed to eliminate this rule in its entirety. Accordingly, in the unlikely event that the anti-trafficking rule is found to apply to the proposed transaction, the parties request that the Commission waive the rule in this instance.

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<sup>17</sup> *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969).

**EXHIBIT B**

**OFFICERS, DIRECTORS, AND OWNERSHIP STRUCTURE**

KaStarCom is a Delaware limited liability company. As such, it has no officers or directors. The company's Manager is Televerde Communications Corporation, a Virginia corporation that is owned and voted 50% by David M. Drucker and 50% by Walter S. Segaloff. Those persons holding a ten percent or greater equity or voting interest in KaStarCom are as follows:

	<i>Ownership</i>	<i>Voting</i>	<i>Citizenship</i>
David M. Drucker 29833 Ruby Ranch Road Evergreen, CO 80439	27.5%	27.5%	USA
Wildblue Communications, Inc. 7600 E. Orchard Road Suite 360N Greenwood Village, CO 80111	45%	45%	USA

Upon consummation of the proposed transaction, those persons holding a ten percent or greater equity or voting interest in Wildblue will be as follows:

	<i>Ownership</i>	<i>Voting</i>	<i>Citizenship</i>
Telesat Canada 1601 Telesat Court Gloucester, Ontario K1B 5P4 Canada	20.4%	20.36%	Canada
DirectCom Networks, Inc. One Technology Plaza 7140 S. Lewis Avenue Tulsa, OK 74136	17.5%	17.5%	USA
Liberty Satellite, LLC 12300 Liberty Blvd. Englewood, CO 80112	15.6%	15.75%	USA

KPCB Holdings, Inc. 2750 Sand Hill Road Menlo Park, CA 94025	13.4%	13.3%	USA
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The officers and directors of Wildblue are as follows:

	<i>Position</i>	<i>Citizenship</i>
Thomas Moore	CEO/Director	USA
Erwin Hudson	President	USA
David Brown	Secretary	USA
Paul Froelich	Treasurer	USA
David Drucker	Chairman	USA
Ken Carroll	Director	USA
Randy Thompson	Director	USA
Larry Boisvert	Director	Canada
Peter Segaloff	Director	USA
Mark Jackson	Director	USA

All of these officers and directors can be reached through Wildblue Communications, Inc., 7500 E. Orchard Road, Suite 360N, Greenwood Village, CO 80111, 720-554-7400.