

Before the  
Federal Communications Commission  
Washington, DC 20554

In the Matter of	)	
	)	
Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC,	)	IB Docket No. 05-290
<i>Transferors,</i>	)	IB File Nos.
	)	SAT-T/C-20050930-00193;
	)	SAT-T/C-20050930-00194;
and	)	SAT-STA-20050930-00188;
	)	SAT-STA-20050930-00189;
Intelsat Holdings, Ltd.,	)	SAT-STA-20050930-00190;
<i>Transferee,</i>	)	SAT-STA-20050930-00191;
	)	SAT-STA-20050930-00192;
	)	SES-T/C-20050930-01356;
Consolidated Application for Authority to Transfer Control of PanAmSat Licensee Corp. and PanAmSat H-2 Licensee Corp.	)	SES-T/C-20050930-01357;
	)	SES-T/C-20051004-01371

PETITION TO ADOPT CONDITIONS TO  
AUTHORIZATIONS AND LICENSES

The United States Department of Justice (“DOJ”), including the Federal Bureau of Investigation (“FBI”), together with the United States Department of Homeland Security (“DHS”) and the United States Department of Defense (collectively, the “Agencies”), respectfully submit this Petition to Adopt Conditions to Authorizations and Licenses (“Petition”), pursuant to Section 1.41 of the Federal Communications Commission’s (“FCC” or “Commission”) rules.<sup>1</sup> Through this Petition, the Agencies advise the Commission that they have no objection to the Commission granting the applications filed in the above-referenced

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<sup>1</sup> 47 C.F.R. § 1.41.

proceeding, provided that the Commission conditions the grant of the applications on Intelsat Holdings, Ltd. (“Intelsat”) abiding by the commitments and undertakings contained in its December 5, 2005 letter to Laura H. Parsky, Stewart A. Baker, and Elaine N. Lammert (the “Letter”) attached hereto as Exhibit 1.

In the above-captioned proceeding, Intelsat and various stockholders of PanAmSat Holding Corporation (“PanAmSat”) (collectively, the “Applicants”) filed a consolidated application with the FCC seeking consent to transfer control of PanAmSat’s FCC-licensed subsidiaries to Intelsat.<sup>2</sup>

As the Commission is aware, the Agencies have taken the position that their ability to satisfy their obligations to protect the national security, enforce the laws, and preserve the safety of the public could be impaired by transactions in which foreign entities will own or operate a part of the U.S. telecommunications system, or in which foreign-located facilities will be used to provide domestic telecommunications services to U.S. customers. After discussions with representatives of Intelsat and PanAmSat in connection with the proposed acquisition of PanAmSat by Intelsat and the related transfer of control over PanAmSat’s FCC-licensed subsidiaries, the Agencies have concluded that the commitments set forth in the Letter address their concerns. Accordingly, the Agencies hereby advise the Commission that they have no objection to the Commission granting the above-referenced applications for consent to transfers of control, provided that the Commission conditions its consent on compliance by Intelsat with the commitments set forth in the Letter.

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<sup>2</sup> *Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC, Transferors, and Intelsat Holdings, Ltd., Transferee, Consolidated Application for Authority to Transfer Control of PanAmSat Licensee Corp. and PanAmSat H-2 Licensee Corp.*, IB Docket No. 05-290 (filed Sept. 30, 2005).

The Agencies are authorized to state that the Applicants do not object to the grant of this Petition.

Respectfully submitted,

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December 6, 2005



December 5, 2005

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Mr. Stewart A. Baker  
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Phillip L. Spector  
Executive Vice President  
and General Counsel

**Re: Proposed Acquisition of PanAmSat Holding Corporation by a Subsidiary of  
Intelsat Holdings, Ltd.**

Dear Ms. Parsky, Mr. Baker, and Ms. Lammert:

As a follow-up to our recent discussions with representatives of the Department of Justice ("DOJ"), the Department of Homeland Security ("DHS"), and the Federal Bureau of Investigation ("FBI") (collectively, the "Agencies"), along with representatives of the Department of Defense ("DOD"), this letter is intended to reconfirm the commitments set forth in our November 24, 2004 letter to the Agencies ("Intelsat/Zeus Commitment Letter")<sup>1</sup>, and to confirm that Intelsat Holdings, Ltd. (formerly Zeus Holdings Limited ("Zeus")) and Intelsat, Ltd. (collectively, "Intelsat") will extend those commitments to cover the businesses of PanAmSat Holding Corporation ("PanAmSat") once the pending acquisition of PanAmSat closes.

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<sup>1</sup> See *Intelsat, Ltd., Transferor, and Zeus Holdings Limited, Transferee, Consolidated Application for Consent to Transfers of Control of Holders of Title II and Title III Authorizations and Petition for Declaratory Ruling Under Section 310 of the Communications Act of 1934, As Amended*, FCC Order and Authorization, December 22, 2004, IB Docket No. 04-366 at Appendix D.

## I. The Transaction

On August 29, 2005, Intelsat and PanAmSat announced the execution of a definitive merger agreement ("Merger Agreement") under which Intelsat intends to acquire PanAmSat for approximately \$3.2 billion in cash and the assumption or refinancing of approximately \$3.2 billion in debt owed by PanAmSat and its subsidiaries. Under the terms of the Merger Agreement, a newly created indirect Delaware subsidiary of Intelsat will be merged into PanAmSat, with PanAmSat remaining as the surviving entity. Upon completion of the transaction, PanAmSat and its subsidiaries will continue as separate corporate entities, but PanAmSat will be an indirect wholly owned subsidiary of Intelsat.<sup>2</sup>

PanAmSat is a publicly traded Delaware corporation and a fixed satellite service ("FSS") company with a fleet of 26 satellites. The bulk of PanAmSat's revenues involve video distribution, with large media and broadcast companies using PanAmSat's satellites to distribute their programming. Two subsidiaries of PanAmSat (the "PanAmSat Licensees") hold authorizations from the Federal Communications Commission ("FCC") to operate non-common carrier FSS satellites using the C- and Ku-bands, as well as authorizations for numerous non-common carrier earth stations that transmit and/or receive signals in those frequency bands. Neither PanAmSat nor its subsidiaries offer common carrier switched services or hold any Section 214 authorizations from the FCC.

Consummation of the transaction is subject to a number of closing conditions, including approval by PanAmSat's stockholders and receipt of requisite regulatory approvals. Among other regulatory filings that have been or will be made, a consolidated application seeking approval to transfer control over the FCC authorizations held by the PanAmSat Licensees was filed at the FCC on September 30, 2005. In light of the conditions to be met, Intelsat and PanAmSat envision a closing of the transaction sometime between March and September 2006.

The combined company will have over 50 satellites and connectivity into some 200 countries and territories. The core network control assets of both companies are located in the United States, and the combined company will have all key control functions – operational headquarters, network operating center, and central TT&C functions – based in the United States.

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<sup>2</sup> As representatives of the Agencies and of DOD are aware, and as discussed further below, one element of restructuring within PanAmSat is envisioned at the time Intelsat acquires PanAmSat – namely, the PanAmSat subsidiary that services U.S. government customers (G2 Satellite Solutions Corporation) would be moved under or merged into the cleared Intelsat subsidiary that engages in similar business activities (Intelsat General Corporation).

## II. Updating Existing Intelsat Commitments

### A. Security Committee of Intelsat Global Services Corporation

In the Intelsat/Zeus Commitment Letter, which continued certain commitments made to the Agencies in previous Intelsat transactions, we agreed to maintain a Security Committee within our U.S. subsidiary, Intelsat Global Services Corporation ("IGSC"). This Security Committee, which is composed exclusively of U.S. citizens who serve on the board of IGSC, has lead responsibility for overseeing security issues related to Intelsat's domestic communications network, records related to domestic communications, and electronic surveillance by U.S. federal, state, and local authorities. In addition, the Security Committee serves as a point of contact for addressing law enforcement, national security, and infrastructure protection issues with U.S. government agencies. The Security Committee has carried out these responsibilities, and will continue to carry them out after the consummation of the transaction with PanAmSat.

In the Intelsat/Zeus Commitment Letter, a commitment was also made to provide the Agencies, within 60 days of the closing of the Intelsat/Zeus transaction, with a copy of the policies and procedures adopted and implemented by the Security Committee. That commitment was met in Intelsat's letter to the Agencies dated January 27, 2005, and an updated copy of the policies and procedures was provided in Intelsat's letter dated October 28, 2005.

Assuming consummation of the transaction with PanAmSat, Intelsat will ensure that the role and responsibilities of the IGSC Security Committee are extended to cover the PanAmSat businesses. Thus, the domestic communications security oversight and U.S. government interface functions of the Security Committee will extend equally to the Intelsat and PanAmSat businesses and assets. In addition, to ensure that the Agencies maintain up-to-date information concerning the Security Committee, IGSC will inform the Agencies in a timely fashion of changes to the composition of the Committee.

### B. Proxy Agreement for Intelsat General Corporation

In the Intelsat/Zeus Commitment Letter, we agreed to maintain the proxy agreement structure that covers our cleared U.S. subsidiary, Intelsat General Corporation ("Intelsat General"), so as to ensure that no impermissible foreign ownership, control, or influence is exercised over the business activities of Intelsat General. Intelsat General will continue to operate under that proxy agreement structure.

Assuming consummation of the transaction with PanAmSat, Intelsat will ensure that the PanAmSat subsidiary that is involved in servicing U.S. government customers – namely, G2 Satellite Solutions Corporation ("G2") – is placed under or merged into Intelsat General. As a consequence, G2 will become part of Intelsat General, and will operate under the proxy agreement structure, including any modifications that may be made to that agreement in connection with the transaction with PanAmSat. Intelsat General operates at very high security clearance levels, and envisions no difficulty absorbing and managing G2's classified activities.

C. Cooperation with U.S. Government Electronic Surveillance Activities

In the Intelsat/Zeus Commitment Letter, we agreed to take all reasonable measures to assist and support the FBI or any other U.S. federal, state, or local agency with law enforcement or national security responsibilities in conducting, in a secure and efficient manner, lawfully authorized electronic surveillance. We also agreed that such assistance would include disclosure, if necessary, of technical and engineering information related to the design, maintenance, or operation of Intelsat's systems. Finally, we agreed that Intelsat and the agency seeking electronic surveillance cooperation would work together in determining what is reasonable, taking into account the investigative needs of the agency and Intelsat's commercial interests. The pending transaction with PanAmSat does not alter the commitments of Intelsat set forth or continued in the Intelsat/Zeus Commitment Letter.

The nature of Intelsat's business is such that there is no existing or contemplated provision of common carrier switched services by Intelsat. Thus, we continue to believe that Intelsat is, generally speaking, an unlikely target for requests to assist U.S. law enforcement agencies with electronic surveillance. Nonetheless, we have stood ready, and continue to stand ready, to assist government agencies with lawfully authorized electronic surveillance.

Assuming consummation of the transaction with PanAmSat, Intelsat will ensure that these commitments to cooperate with U.S. government electronic surveillance activities apply equally to the PanAmSat businesses. As noted above, the IGSC Security Committee will continue to be the primary point of contact for U.S. government agencies in connection with requests for assistance with electronic surveillance.

Nothing in this letter is intended to excuse Intelsat from any obligation it may have to comply with U.S. legal requirements for the retention, preservation, or production of information, records or data, or from any applicable requirements of the Communications Assistance for Law Enforcement Act, 47 U.S.C. § 1001, et. seq.

D. Provision of Common Carrier Switched Services in the Future

In the Intelsat/Zeus Commitment Letter, we agreed to provide the Agencies with advance notice of any provision of common carrier switched services by Intelsat, even if no further FCC authorization is required. In particular, we agreed that (i) for any common carrier switched service that requires additional Section 214 authorization, we would provide the Agencies with a copy of any application filed with the FCC; (ii) for any common carrier switched service that may be provided without obtaining a new Section 214 authorization (such as a new domestic switched service), we would notify the Agencies 30 days before offering the service; and (iii) before using any of the equipment subject to Title III licenses transferred in connection with the Intelsat/Zeus transaction to provide common carrier switched services, we would notify the Agencies 30 days in advance.

Assuming consummation of the transaction with PanAmSat, we will extend these commitments set forth or continued in the Intelsat/Zeus Commitment Letter to cover the PanAmSat businesses. As noted above, neither Intelsat nor PanAmSat offers any common carrier switched service or has any plan to do so. Nonetheless, should any part of the combined company offer such service in the future, we will provide advance notice to the Agencies as described in the Intelsat/Zeus Commitment Letter.

E. Future Changes to Boards of Directors

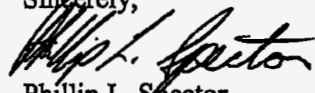
In the Intelsat/Zeus Commitment Letter, Zeus agreed to notify the Agencies of the initial composition of the boards of directors of Zeus, Intelsat, Ltd., and Intelsat (Bermuda), Ltd. (the "Boards") and of subsequent changes to the Boards. By letter dated February 11, 2005, we provided the Agencies with information concerning the initial composition of the Boards. In addition, by letter dated March 29, 2005, we supplied the Agencies with updated information concerning the composition of the Boards, and notified the agencies that Zeus had changed its name to Intelsat Holdings, Ltd.

No element of the transaction with PanAmSat changes the effectiveness or scope of this commitment. We will continue to provide the Agencies with updated information concerning the composition of the Boards, until such time as such notification is no longer needed by operation of law or by decision of the Agencies. In addition, we remain willing to provide the Agencies with such other information concerning the Boards as they may reasonably request.

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If you require any further information regarding these matters, please contact either the undersigned or Richard Elliott at Paul, Weiss (202-223-7324).

Sincerely,

  
Phillip L. Spector  
Executive Vice President  
and General Counsel

cc: John R. LoGalbo  
Criminal Division  
Department of Justice

Lou W. Brenner, Jr.  
Office of General Counsel  
Department of Homeland Security

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