

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554**

In the Matter of

Pegasus Development DBS Corporation,
Transferor,

and

Spectrum Five LLC,
Transferee,

Application for Consent to Transfer of
Control of 17/24 GHz Space Station
Authorization held by 115 License
Subsidiary, LLC

File No. SAT-T/C-2011 _____

Call Sign: S2700

APPLICATION FOR CONSENT TO TRANSFER OF CONTROL

Spectrum Five LLC (“Spectrum Five”) and Pegasus Development DBS Corporation (“Pegasus DBS”) (collectively, the “Applicants”) respectfully submit this application pursuant to Section 310(d) of the Communications Act of 1934 and Section 25.119 of the rules of the Federal Communications Commission (“Commission” or “FCC”) for consent to the transfer of control of 115 License Subsidiary, LLC (“License Sub”) and its 17/24 GHz “reverse band” satellite authorization for the 115° W.L. orbital location from Pegasus DBS to Spectrum Five. Pursuant to Section 25.119(d) of the Commission's rules,¹ this application and supporting exhibits have been filed electronically as an attachment to FCC Form 312 Main Form and Schedule A.

¹ 47 C.F.R. § 25.119(d).

I. DESCRIPTION OF APPLICANTS

A. **Spectrum Five LLC (Transferee)**

Spectrum Five is a Delaware limited liability company formed to develop, launch and operate satellite systems for the provision of additional and innovative services to consumers. Spectrum Five and Spectrum Five BV, a Netherlands corporation wholly-owned by Spectrum Five, are parties to agreements with the State of the Netherlands and the Government of the Netherland Antilles, which authorize the launch and operation of satellite systems using 12/17 GHz and 17/25 GHz frequencies at several orbital locations, including the nominal 115° W.L. Pursuant to these agreements, the State of the Netherlands acts as the sponsoring administration for Spectrum Five before the International Telecommunication Union (“ITU”) and has submitted filings for Spectrum Five's use of frequencies and orbital locations.

Spectrum Five is fully qualified to acquire control of License Sub and its reverse band space station authorization for 115° W.L. The FCC has granted Spectrum Five U.S. market access to provide direct broadcast service (“DBS”) in the United States from its Netherlands-authorized satellite system at the 114.5° W.L. orbital location.² Spectrum Five also has two pending petitions for declaratory ruling seeking market access for its Netherlands-authorized reverse band satellites at the nominal 103° W.L. and 119° W.L. locations.³ Pursuant to the

² *Spectrum Five LLC, Petition for Declaratory Ruling to Serve the U.S. Market Using Broadcast Satellite Spectrum from the 114.5° W.L. Orbital Location*, Order and Authorization, 21 FCC Rcd 14023 (2006). Spectrum Five has a pending petition seeking a declaratory ruling to extend or waive the interim construction milestone associated with the 114.5° W.L. authorization. *Spectrum Five LLC, Petition for Declaratory Ruling To Modify Its Authorization to Serve the U.S. Market Using BSS Spectrum from the 114.5° W.L. Orbital Location*, IBFS File No. SAT-MOD-20101126-00245 (filed Nov. 26, 2010).

³ *Spectrum Five LLC, Petition for Declaratory Ruling to Serve the U.S. Market from the 103.15° W.L. Orbital Location in the 17/24 Broadcasting Satellite Service Band*, IBFS File No. SAT-LOI-20081119-00217 (filed Nov. 19, 2008); *Spectrum Five LLC, Petition for Declaratory Ruling to Serve the U.S. Market from the 118.8° W.L. Orbital Location in the 17/24 Broadcasting Satellite Service Band*, IBFS File No. SAT-LOI-20081113-00216 (filed Nov. 13, 2008).

proposed transaction, Spectrum Five will acquire indirect control of its first U.S.-licensed space station.

B. Pegasus Development DBS Corporation (Transferor)

Pegasus DBS is a Delaware corporation, which is a wholly owned subsidiary of Xanadoo Company (“Xanadoo”). Xanadoo is publicly traded on the Pink Sheets and is controlled by Marshall W. Pagon.⁴ Xanadoo’s principal operating business presently consists of the provision of wireless broadband Internet access, conducted through indirect subsidiaries.⁵

C. 115 License Subsidiary, LLC (Licensee)

License Sub is a Delaware limited liability company, which is a wholly owned subsidiary of Pegasus DBS. The FCC originally authorized Pegasus DBS to operate a reverse band satellite at 115° W.L. on December 17, 2008.⁶ On September 30, 2009, the FCC granted the *pro forma* assignment of this authorization from Pegasus DBS to License Sub.⁷ On December 21, 2010, the FCC granted a second *pro forma* transfer of control of this authorization to reflect an internal corporate restructuring.⁸

⁴ See Application, File No. SAT-T/C-20101117-00237 (filed November 17, 2010).

⁵ See <http://www.xanadoo.com/>.

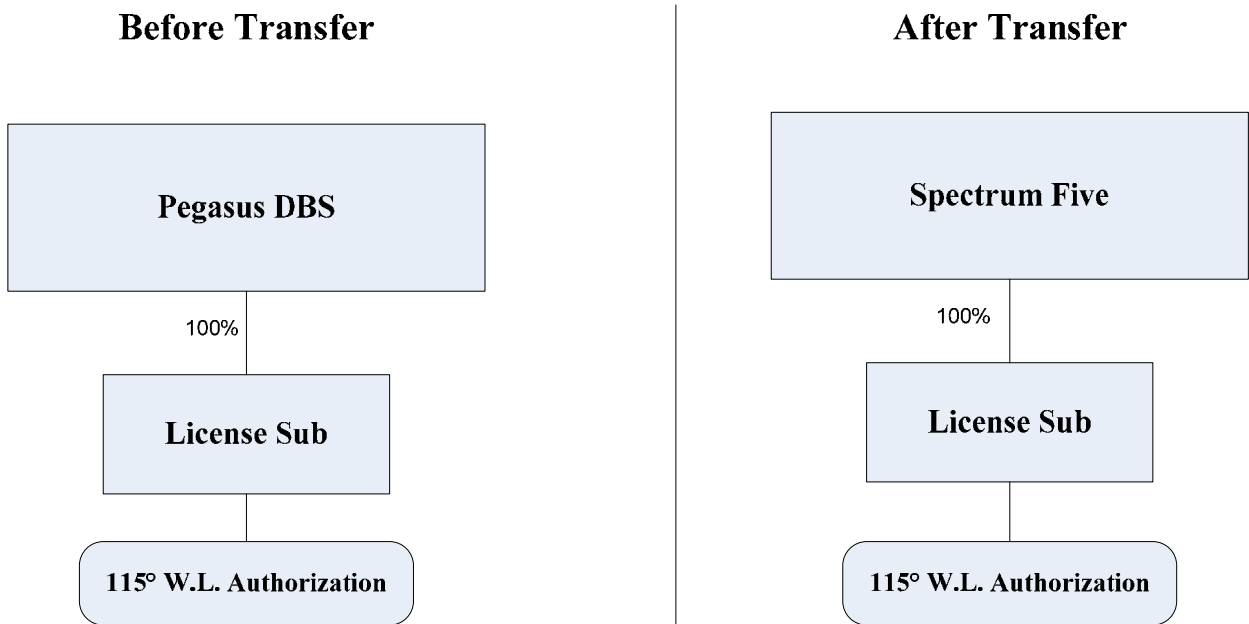
⁶ *Pegasus Development DBS Corporation, Authority to Construct, Launch, and Operate a System of Broadcasting Satellite Service Satellites*, IBFS File No. SAT-AMD-20080114-00023 (stamp grant Dec. 17, 2008).

⁷ *Policy Branch Information Actions Taken*, Report No. SAT-00637, DA 09-2162, File No. SAT-ASG-20090921-00098 (September 30, 2009) (Public Notice).

⁸ *Policy Branch Information Actions Taken*, Report No. SAT-00746, DA 10-2427, File No. SAT-T/C-20101117-00237 (December 21, 2010) (Public Notice).

II. DESCRIPTION OF TRANSFER OF CONTROL

Pegasus DBS has agreed to transfer control of License Sub and its 115° W.L. reverse band authorization to Spectrum Five. Pegasus DBS will transfer all of the membership interests in License Sub to Spectrum Five, and License Sub will become a wholly-owned subsidiary of Spectrum Five. Before and after the transfer License Sub will continue to hold its reverse band space station authorization for 115° W.L. Below is a chart showing the ownership of License Sub before and after the transfer for which consent is being sought hereunder.



III. PUBLIC INTEREST BENEFITS

The proposed transfer of control serves the public interest.⁹ Pursuant to Section 310(d) of the Communications Act of 1934, as amended,¹⁰ the Commission conducts a public

⁹ The public interest section is responsive to Question A21 of the FCC Form 312.

¹⁰ 47 U.S.C. § 310(d).

interest analysis when assessing transfer of control applications for space station authorizations. In conducting its analysis, the Commission uses its expertise to “weigh the potential public interest harms against the potential public interest benefits to ensure that, on balance, the proposed transaction will serve the public interest, convenience, and necessity.”¹¹ As demonstrated below, the balance in this case clearly favors approval of the transfer of control.

The proposed transaction will serve the public interest by facilitating Spectrum Five’s provision of additional and innovative services to consumers. Spectrum Five is a new entrant in the highly competitive satellite services industry. Pursuant to the proposed transaction, Spectrum Five will be well-positioned to be one of the first entities to bring the myriad benefits of the new 17/24 GHz reverse band to the public, which, according to the Commission, is intended to “facilitate the introduction of new and innovative services to consumers in the United States and promote increased competition among satellite and terrestrial services.”¹² Specifically, the Commission has found that this reverse band promises

¹¹ *Lockheed Martin Corp., COMSAT Corp. and COMSAT Digital Teleport, Inc. Assignors and Intelsat, Ltd., Intelsat (Bermuda), Ltd, Intelsat LLC, and Intelsat USA License Corp., Assignees Application for Assignment of Earth Station and Wireless Licenses and Section 214 Authorizations and Petitions for Declaratory Ruling, Order and Authorization*, 17 FCC Rcd 27,732, 27,739 (¶ 12) (2002); *see also Applications for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Commc’ns Corp. (and subsidiaries, debtors-in-possession), Assignors, to Time Warner Cable Inc., Assignees, et al.*, Memorandum Opinion and Order, 21 FCC Rcd 8203, 8217 (¶ 23) (2006); *Applications for Consent to the Transfer of Control of Licenses from Comcast Corp. and AT&T Corp., Transferors, to AT&T Comcast Corp., Transferee*, Memorandum Opinion and Order, 17 FCC Rcd 23,246, 23,255 (¶ 26) (2002).

¹² *The Establishment of Policies and Service Rules for the Broadcasting-Satellite Service at the 17.3-17.7 GHz Frequency Band and at the 17.7-17.8 GHz Frequency Band Internationally, and at the 24.75-25.25 GHz Frequency Band for Fixed Satellite Services Providing Feeder Links to the Broadcasting-Satellite Service and for the Satellite Services Operating Bi-directionally in the 17.3-17.8 GHz Frequency Band*, Report and Order and Further Notice of Proposed Rulemaking, 22 FCC Rcd 8842 (2007).

to bring “a new generation of broadband services to the public, providing a mix of local and domestic video, audio, data, video-on-demand, and multi media services to U.S.

consumers.”¹³ Spectrum Five’s plan to use the 17/24 GHz reverse band to provide innovative services, including broadband services, promotes the public interest objective of expanding the provision of mobile broadband services to U.S. consumers.¹⁴

Moreover, the proposed transaction will not result in any public harm. Spectrum Five understands and accepts that License Sub’s existing milestone requirements for the 115° W.L. reverse band satellite will remain in place following the proposed transfer of control.

Spectrum Five is also aware of the Commission’s recent adoption of new service rules for the 17/24 GHz band.¹⁵ Spectrum Five will comply with those new rules, including filing additional technical information as appropriate.

¹³ *The Establishment of Policies and Service Rules for the Broadcasting-Satellite Service at the 17.3-17.7 GHz Frequency Band and at the 17.7-17.8 GHz Frequency Band Internationally, and at the 24.75-25.25 GHz Frequency Band for Fixed Satellite Services Providing Feeder Links to the Broadcasting-Satellite Service and for the Satellite Services Operating Bi-directionally in the 17.3-17.8 GHz Frequency Band*, Order on Reconsideration, 22 FCC Rcd 17951, ¶ 1 (2007).

¹⁴ *See, e.g.*, Federal Communications Commission, *Connecting America: The National Broadband Plan* at 19 (2010) (“Broadband is a platform to create today’s high-performance America—an America of universal opportunity and unceasing innovation, an America that can continue to lead the global economy, an America with world-leading, broadband-enabled health care, education, energy, job training, civic engagement, government performance and public safety.”); National Broadband Plan at 77 (noting that the “scarcity of mobile broadband could mean higher prices, poor service quality, an inability for the U.S. to compete internationally, depressed demand and, ultimately, a drag on innovation.”).

¹⁵ *See The Establishment of Policies and Service Rules for the Broadcasting-Satellite Service at the 17.3-17.7 GHz Frequency Band and at the 17.7-17.8 GHz Frequency Band Internationally, and at the 24.75-25.25 GHz Frequency Band for Fixed Satellite Services Providing Feeder Links to the Broadcasting-Satellite Service and for the Satellite Services Operating Bi-directionally in the 17.3-17.8 GHz Frequency Band*, Second Report and Order, FCC 11-93 (rel. June 14, 2011).

IV. CONCLUSION

For the foregoing reasons, the Commission should grant the proposed transfer of control of License Sub and its 17/24 GHz reverse band satellite authorization for the 115° W.L. orbital location to Spectrum Five.

Respectfully submitted,

Pegasus Development DBS Corporation

By: Scott A. Blank

Scott A. Blank
Sr. Vice President, General Counsel and Secretary

and

Spectrum Five LLC

By: R. David Wilson

R. David Wilson
President

June 30, 2011

Ownership Information

FCC Form 312, Schedule A, Response to Question A20: Officers, Directors, and Ten Percent or Greater Shareholders

Spectrum Five LLC (“Spectrum Five”) is a Delaware limited liability corporation. R. David Wilson and Elizabeth Wilson, both United States citizens, hold (as tenants in the entirety) 70.84 percent of the equity in Spectrum Five. Mr. and Mrs. Wilson’s address is 2445 California Street, NW, Washington, DC 20008. SkyWorks LLC holds 16.06 percent of the equity of Spectrum Five. SkyWorks LLC is located at 450 Laurel Street, Suite 1600, Baton Rouge, LA 70801. Although no single investor in Skyworks LLC individually owns more than 10 percent of the equity of Spectrum Five, Scott H. Crawford, a U.S. citizen, votes the 16.06 percent on behalf of all of the investors. No other person or entity has a ten percent or greater direct or indirect interest in Spectrum Five.

OFFICERS AND DIRECTORS

President: R. David Wilson

Board of Directors:

R. David Wilson
Elizabeth A. Wilson
2445 California Street, NW
Washington, DC 20008

Scott Crawford, Managing Partner
450 Laurel Street, Suite 1600
Baton Rouge, LA 70801

Raymond S. McGuire
PMB 345
10859 Emerald Parkway West
Destin, Florida 32541

H. Carter Hood
2315 Tracey Place NW
Washington, DC 20008

All officers and directors of Spectrum Five are United States citizens.