

**DESCRIPTION OF PROPOSED TRANSACTION,
PUBLIC INTEREST STATEMENT, AND RELATED DEMONSTRATIONS**

Swarm Technologies, Inc. (“Swarm” or “Transferor”) and Space Exploration Technologies Corp. (“SpaceX” or “Transferee”) (together, the “Applicants”) hereby request Federal Communications Commission (“Commission”) consent to transfer to SpaceX control of the earth and space station licenses held by Swarm, a U.S.-licensed satellite operator in the non-voice, non-geostationary mobile-satellite service (“NVNG MSS”) authorized to operate in the 137–138 MHz and 148–150.05 MHz bands (the “NVNG VHF Bands”). Swarm and SpaceX have executed a merger agreement pursuant to which, as described more fully in Section I.C below, Swarm will become a direct, wholly-owned subsidiary of SpaceX (the “Proposed Transaction”).

As discussed below, grant of Commission consent to consummate the Proposed Transaction is consistent with the Commission’s rules and will serve the public interest by strengthening the combined companies’ ability to provide innovative satellite services that reach unserved and underserved parts of the world.

As summarized in Table 1 below, the Applicants have filed three electronic applications seeking consent for the Proposed Transaction. Because Swarm has several applications pending before the Commission, the Applicants also respectfully request that any consent for the Proposed Transaction include authority for SpaceX to acquire control of any Commission license or additional authorization issued to Swarm during the pendency of the Commission’s consideration of the Proposed Transaction and the period required for consummation after approval.

Table 1: Applications Filed and Licenses To Be Transferred

Description of Application	Call Signs	Licensee
Transfer of control of U.S. space station license in the NVNG VHF Bands (IBFS)	S3041	Swarm Technologies, Inc.
Transfer of control of fixed earth station licenses in the NVNG VHF Bands (IBFS)	E190610, E190858, E190859, E190861, E191406, E201088, E201089, E201511 E202117*, E210053*, E210061* *Applications still pending	Swarm Technologies, Inc.
Transfer of control of blanket mobile earth station license (IBFS)	E190490	Swarm Technologies, Inc.

I. DESCRIPTION OF THE PARTIES AND PROPOSED TRANSACTION

A. Space Exploration Technologies Corp. (Transferee)

SpaceX is a private company founded in 2002 to revolutionize space technologies, with the ultimate goal of enabling humanity to become a multi-planetary species. The company designs, manufactures, and launches advanced rockets and spacecraft. It has over 9,000 employees based in the United States at the company's headquarters in Hawthorne, California, and facilities located across the country.

Since its founding in 2002, SpaceX has achieved a series of historic milestones. In December 2010, SpaceX became the first private company ever to successfully launch and return a spacecraft (Dragon) from low-Earth orbit. In May 2012, the company again made history when Dragon berthed with the International Space Station, delivered cargo, and returned safely to Earth—a technically challenging feat previously accomplished only by governments. In

December 2015, SpaceX successfully returned a first stage rocket booster to land after carrying a payload to space, and has since landed 87 more times and has reflown 68 boosters, including up to 10 reflights of a single booster. And by leveraging the reusability of its rockets, SpaceX has launched over 1,700 of its own satellites pursuant to Commission authorizations, which will be used to provide high-speed broadband across the country and around the world.

B. Swarm Technologies, Inc. (Transferor)

Swarm is a Delaware corporation headquartered in Mountain View, California seeking to make narrowband data services accessible to everyone, everywhere on earth. It currently operates a NVNG MSS system in the NVNG VHF Bands pursuant to an FCC satellite license. Swarm has launched most of the 150 satellites permitted under its FCC authorization and is in the process of gaining market access for its U.S.-based constellation in other jurisdictions. It recently began offering services to customers in the agriculture, maritime, energy, environmental, and transportation sectors, among others in need of global satellite connectivity for IoT devices.

C. Description of Proposed Transaction

On July 16, 2021, SpaceX, Swarm, Swarm Holdco, Inc., a Delaware corporation and wholly-owned subsidiary of SpaceX (“Merger Sub”), and Dr. Sara Spangelo, solely in her capacity as Stockholder Representative, entered into an Agreement and Plan of Merger (“Merger Agreement”). The Merger Agreement provides for the merger of Merger Sub with and into Swarm (the “Merger”), with Swarm surviving the Merger as a direct wholly-owned subsidiary of SpaceX upon consummation of the Proposed Transaction.

II. THE PROPOSED TRANSFER OF CONTROL WILL SERVE THE PUBLIC INTEREST

Under Section 310(d) of the Communications Act, the Commission must determine whether the proposed transfer of control is consistent with the public interest, convenience, and

necessity.¹ In making this determination, the Commission first assesses “whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission’s rules.”² It then weighs “any potential public interest harms of the proposed transaction against any potential public interest benefits.”³ This public interest evaluation “necessarily encompasses” the Communications Act’s statutory aims, which include “preserving and enhancing competition ..., accelerating private sector deployment of advanced services, ... and generally managing the spectrum in the public interest.”⁴ The Commission’s analysis also entails “assessing whether the proposed transaction would affect the quality of communications services or result in the provision of new or additional services to consumers,” “technological and market changes, and the nature, complexity, and speed of change of, as well as trends within, the

¹ See, e.g., *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd. 9131, 9139-40 ¶ 18 (2015) (“*AT&T-DIRECTV Order*”); *Applications of XO Holdings and Verizon Communications, Inc. to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 31 FCC Rcd. 12,501, 12,504 ¶ 7 (Wireline, Int’l, and Wireless Tel. Burs., rel. Nov. 16, 2016) (“*Verizon-XO Order*”).

² See *AT&T-DIRECTV Order*, 30 FCC Rcd. at 9139 ¶ 18 (citations omitted); *Verizon-XO Order*, 31 FCC Rcd. at 12,504 ¶ 7; *Applications of Softbank Corp., Starburst II, Inc., Sprint Nextel Corporation, and Clearwire Corporation for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 28 FCC Rcd. 9642, 9650 ¶ 23 (2013) (“*SoftBank-Sprint-Clearwire Order*”); *Applications of Qwest Communications International, Inc. and CenturyTel, Inc. d/b/a CenturyLink for Consent to Transfer Control*, Memorandum Opinion and Order, 26 FCC Rcd. 4194, 4198-99 ¶ 7 (2011) (“*Qwest-CenturyLink Order*”); *AT&T Inc. and BellSouth Corp. Application for Transfer of Control*, Memorandum Opinion and Order, 22 FCC Rcd. 5662, 5672 ¶ 19 (2007) (“*AT&T-BellSouth Order*”).

³ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140 ¶ 18 (citation omitted); *Verizon-XO Order* at 12,504 ¶ 7; *SoftBank-Sprint-Clearwire Order*, 28 FCC Rcd. at 9651 ¶ 23 (citation omitted); *Qwest-CenturyLink Order*, 26 FCC Rcd. at 4199 ¶ 7; *AT&T-BellSouth Order*, 22 FCC Rcd. at 5672 ¶ 19 (citation omitted).

⁴ See *AT&T-DIRECTV Order*, 30 FCC Rcd. at 9140 ¶ 18 (citation omitted); *Verizon-XO Order* at 12,504 ¶ 7; *SoftBank-Sprint-Clearwire Order*, 28 FCC Rcd. at 9651 ¶ 23 (citation omitted); *Qwest-CenturyLink Order*, 26 FCC Rcd. at 4199 ¶ 7; *AT&T-BellSouth Order*, 22 FCC Rcd. at 5672 ¶ 19.

communications industry.”⁵ Only transaction-specific benefits and harms are cognizable under the balancing conducted by the Commission.⁶

The Proposed Transaction would not violate any statute or rule. To the contrary, the Proposed Transaction will serve the public interest by strengthening the combined companies’ ability to provide innovative satellite services that reach unserved and underserved parts of the world. Swarm’s services will benefit from the better capitalization and access to resources available to SpaceX,⁷ as well as the synergies associated with acquisition by a provider of satellite design, manufacture, and launch services. SpaceX will similarly benefit from access to the intellectual property and expertise developed by the Swarm team, as well as from adding this resourceful and effective team to SpaceX. In all, the Proposed Transaction will benefit the public interest by providing both companies with valuable resources to support success in the rapidly growing satellite industry.

III. REQUEST FOR APPROVAL OF PENDING OR ADDITIONAL APPLICATIONS

Swarm has on file now, and may subsequently file, additional requests for authorizations for new or modified facilities that may be granted before the Commission takes action on

⁵ See *AT&T-DIRECTV Order*, 30 FCC Rcd. at 9140 ¶ 18 (citation omitted); *Verizon-XO Order* at 12,504 ¶ 7; *SoftBank-Sprint- Clearwire Order*, 28 FCC Rcd. at 9651 ¶ 23; *Qwest-CenturyLink Order*, 26 FCC Rcd. at 4199 ¶ 7; *AT&T-BellSouth Order*, 22 FCC Rcd. at 5672 ¶ 19.

⁶ See *AT&T-DIRECTV Order*, 30 FCC Rcd. at 9140 ¶ 18 (citation omitted); *Verizon-XO Order* at 12,504 ¶ 7; *SoftBank-Sprint- Clearwire Order*, 28 FCC Rcd. at 9651 ¶ 74.

⁷ Many Swarm competitors completed capital raises earlier this year. See Rachel Jewett, “Kepler Communications Raises \$60M, Plans U.S. Expansion,” *Via Satellite* (June 9, 2021), <https://www.satellitetoday.com/business/2021/06/09/kepler-communications-raises-60m-plans-us-expansion/>; Jason Rabinow, “Spire Global Joins Rush to Public Markets with \$1.6 billion SPAC Deal,” *SpaceNews* (Mar. 1, 2021), <https://spacenews.com/spire-global-joins-rush-to-public-markets-with-1-6-billion-spac-deal/>; Swetha Gopinath, “Swiss Nanosatellite Astrocast Seeks Direct Stock Listing,” *Bloomberg.com* (June 23, 2021), <https://www.bloomberg.com/news/articles/2021-06-23/swiss-nanosatellite-startup-astrocast-seeks-direct-stock-listing>; Jason Robinow, “Private Equity Firm GI Partners Plans to Buy ORBCOMM in \$1.1 Billion Deal,” *SpaceNews* (Apr. 8, 2021), <https://spacenews.com/orbcomm-sold-to-private-equity-in-1-1-billion-deal/>. SpaceX’s acquisition of Swarm will help to ensure that the marketplace for the services Swarm currently provides remains competitive.

applications associated with the Proposed Transaction. Accordingly, the Applicants respectfully request that any Commission approval of the Proposed Transaction include authority for transfer of control to SpaceX of: (1) any licenses and/or authorizations issued to Swarm during the Commission's review of the applications and the period required for consummation of the Proposed Transaction following approval;⁸ (2) applications filed by Swarm that are filed after the date of these applications and remain pending at the time of consummation; and (3) to the extent necessary, the deferred portion of Swarm's May 1, 2020 modification request (as amended), which was granted in part on July 1, 2021.⁹

IV. WITHDRAWAL AND CONCLUSION OF LICENSES

Coincident with this filing, Swarm will be withdrawing its Petition for Market Access in the 399.9-400.05 MHz and 400.15-401 MHz bands and concluding its remaining experimental license under the Experimental Licensing System call sign WI2XYY.¹⁰

V. CONCLUSION

For all of the above-stated reasons, the Commission's grant of this application will serve the public interest, convenience and necessity. Accordingly, Swarm and SpaceX respectfully request that the Commission act expeditiously to approve the proposed transfer of control.

⁸ Swarm has pending applications for earth fixed earth stations designated by call signs E202117 (IBFS file no. SES-LIC-20200619-00662), E210053 (IBFS file no. SES-LIC-20210316-00514), and E210061 (IBFS file no. SES-LIC-20210317-00576). Applicants have included these stations in the application for consent to transfer control of Swarm's fixed earth stations.

⁹ Swarm's application to modify its existing FCC space station license (call sign S3041) to provide additional operational authority was granted in part and deferred in part on July 1, 2021. *See* Application for Modification of Swarm Technologies, Inc., IBFS File No. SAT-MOD-20200501-00040 (filed May 1, 2020), as amended by IBFS File No. SAT-AMD-20200504-00041 (filed May 4, 2020).

¹⁰ *See* Petition for Market Access in the 399.9-400.05 MHz and 400.15-401 MHz bands, IBFS File No. SAT-PDR-20200228-00021, Call Sign S3064 (filed Feb. 28, 2020). *See also* Swarm Technologies, Inc., Experimental License, ELS No. 0170-EX-CR-2021, Call Sign WI2XYY (granted Apr. 6, 2021).