

EXHIBIT F

DESCRIPTION OF THE APPLICATION AND PUBLIC INTEREST STATEMENT

I. INTRODUCTION

The Applicants seek the consent of the Federal Communications Commission (“FCC” or “Commission”) to the transfer of control over the authorizations held by TerreStar License Inc., Debtor-in-Possession (“TSL DIP”), a wholly-owned direct subsidiary of, TerreStar Networks Inc., Debtor-in-Possession (“TSN DIP”). The requested authorization reflects the joint plan of reorganization (as amended from time to time, the “Plan”) filed in a consolidated Chapter 11 bankruptcy case pending before the United States Bankruptcy Court for the Southern District of New York (“Bankruptcy Court”).¹ TSL DIP and TSN DIP will emerge from the bankruptcy as reorganized TerreStar License Inc. (“New TSL”) and reorganized TerreStar Networks Inc. (“New TSN”), respectively. New TSL will remain directly wholly-owned by New TSN, but the ownership structure of New TSN will change. Specifically, TSN DIP is now indirectly majority owned by TerreStar Corporation.² TerreStar Corporation’s largest shareholder is Harbinger Capital Partners Funds,³ and its other shareholders include EchoStar. Pursuant to the proposed Plan, TerreStar Corporation’s indirect ownership interest will be extinguished and New TSN will

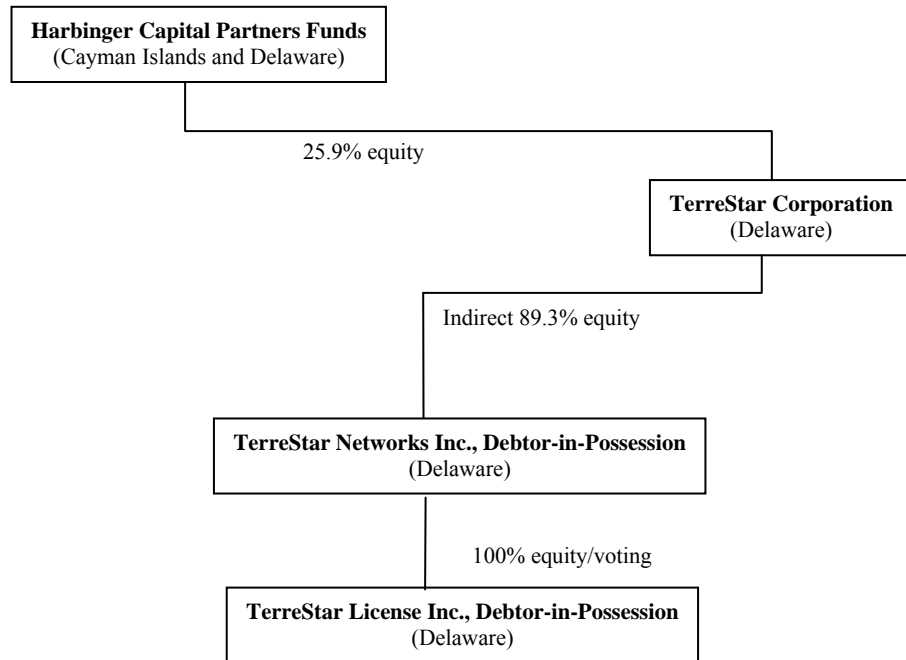
¹ See *In re TerreStar Networks Inc.*, Case No. 10-15446 (SHL) (SDNY Oct. 19, 2010). The Bankruptcy Court has not yet confirmed the Plan.

² TerreStar Corporation has not filed a petition for relief under the Bankruptcy Code, but the Applicants expect TerreStar Corporation to do so in the near future.

³ These funds consist of Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., and Credit Distressed Blue Line Master Fund, Ltd.

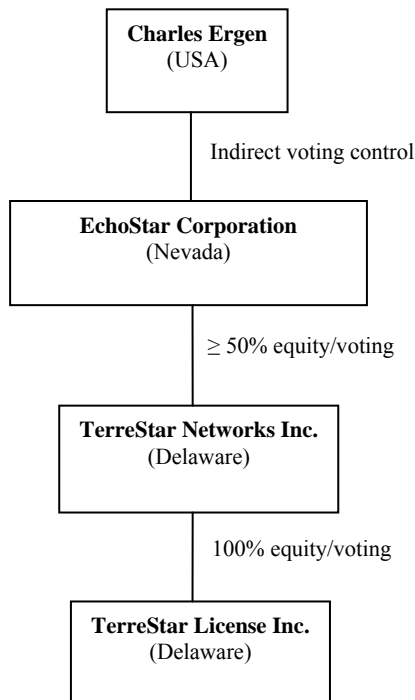
then issue new securities. As a result, New TSN's largest shareholder will be EchoStar Corporation ("EchoStar"), which is anticipated to hold at least 50% of the equity and voting interests in New TSN. EchoStar, in turn, is controlled by Mr. Charles W. Ergen. The proposed transfer of control is illustrated in the following two partial and simplified diagrams.⁴

Diagram 1 – Debtor-in-Possession Structure



⁴ More detailed diagrams depicting the structure of the proposed transaction are included in Exhibit E.

Diagram 2 – Post-Emergence Structure



The proposed transaction fully complies with the Communications Act of 1934, as amended, and the Commission’s rules and policies. In addition, because TSN DIP will be able to restructure its debt through its pending bankruptcy organization (by potentially removing more than \$1 billion in liabilities from its balance sheet) and thereby improve its access to capital, the public will benefit significantly from the advanced mobile broadband capabilities that the transaction will help unleash and that New TSN’s next-generation MSS/ATC system will bring to American consumers. EchoStar is well equipped to help New TSN and New TSL execute a successful strategy for its 2 GHz Mobile Satellite Service (“MSS”) system and the authorized ancillary terrestrial component (“ATC”) of that system. EchoStar has significant experience both with providing complementary satellite and terrestrial services and with managing spectrum sharing and interference issues between such services. Finally, the proposed transaction will not

have any adverse effect on competition in any relevant market because EchoStar does not provide MSS service and does not have an attributable interest in any other MSS provider.

II. THE AUTHORIZATIONS TO BE TRANSFERRED AND THE APPLICANTS

A. Authorizations to Be Transferred

The Applicants are filing multiple concurrent applications to transfer control of the licensee of the following FCC licenses and authorizations:

Call Sign/File No.	Description
S2633	Letter of Intent spectrum reservation to provide MSS using the TerreStar-1 satellite.
E090061	Authorization for 15 calibration earth stations in the 2 GHz band.
E070098	Fixed satellite service (“FSS”) Ku-band earth station authorization for two antennas in Las Vegas, Nevada.
E060430	FCC license for two million mobile earth terminal (“MET”) handsets that includes ATC authorization.
ITC2142010051300194	Section 214 authorization for international MSS.
ITC2142010051300195	Section 214 authorization for global facilities-based and resale authority.

The Applicants request that Commission approval also extend to transfer of control over any authorizations granted to TSL DIP or TSN DIP after the date of this Application.⁵ The Applicants will also duly file a letter under Section 1.65 of the Commission’s rules, advising the

⁵ In addition, the Applicants respectfully request the Commission to waive application of its “cut-off” rules with respect to any applications that may be filed by TSN DIP or TSL DIP during the Commission’s review of the instant Application to the extent that any such applications become subject to a Commission cut-off notice. No pending relevant applications are subject to a cut-off rule.

Commission of a change to the real-party-in-interest for applications that may still be pending at the time of approval of this Application.⁶

B. The Applicants

The TerreStar Parties. In May 2007, the FCC issued a Letter of Intent (“LOI”) spectrum reservation to TerreStar Networks Inc. (“TSN”), a majority-owned indirect subsidiary of TerreStar Corporation,⁷ to utilize certain specified spectrum to provide MSS in the United States using the Canadian-licensed geosynchronous orbit (“GSO”) satellite, TerreStar-1. TSN assigned this authorization to TerreStar License Inc. (“TSL”), a wholly owned direct subsidiary of TSN, in February 2008. In relation to that LOI, the Commission issued TSN an authorization to operate up to two million METs. Further, in January 2010, the FCC authorized TSN to provide ATC services, by means of adding an ATC authorization to TSN’s MET license.

TSN, TSL and their affiliates have met several significant milestones in the provision of MSS/ATC services since 2007. On July 1, 2009, the TerreStar-1 satellite was successfully launched and placed into its assigned orbital slot. This event soon was followed by the first successful phone call over TerreStar-1 on July 20, 2009, which allowed TerreStar-1 to be certified as operational. On August 27, 2009, in-orbit testing of TerreStar-1 was successfully completed.

⁶ An application seeking Commission consent to modify TSN DIP’s ATC authorization is currently pending before the Commission. *See* IBFS File No. SES-MOD-20100727-00963. To the extent required, the parties request a waiver of any rule that would cause the proposed instant transfer of control to require a major amendment to this pending ATC modification application.

⁷ Motient Ventures Holding Inc., a Delaware corporation, owns 89.3% of the common stock of TSN. MV Holdings Inc., a Delaware corporation, owns 100% of the common stock of Motient Ventures Holding Inc., a Delaware corporation. TerreStar Corporation owns 100% of the common stock of MV Holdings Inc. *See* Exhibit E.

In order to obtain the capital necessary to support these development initiatives and the operation of its MSS/ATC system, TSN issued secured payment-in-kind (“Senior PIK”) notes in 2007 and exchangeable payment-in-kind (“Exchangeable PIK”) notes in 2008. However, the subsequent global economic crisis created a precarious financial situation, rendering TSN and TSL unlikely to satisfy these debt obligations in the coming years. As a result, on October 19, 2010, TSN, TSL and certain of their affiliates (collectively, the “TerreStar Companies”) filed voluntary petitions for reorganization under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) with the Bankruptcy Court. As the TerreStar Companies explained in their petitions, reorganization is intended to strengthen the TerreStar Companies’ financial position to help them achieve long-term success in the MSS market.⁸ On October 20, 2010, the Bankruptcy Court granted the request of the TerreStar Companies for procedural consolidation and joint administration of the Chapter 11 petitions. On November 5, 2010, the TerreStar Companies filed the proposed Plan and an accompanying disclosure statement.⁹ The Plan will convert approximately \$1.1 billion of TSN’s debt into equity in New TSN, resulting in a change of control of TSN DIP.

In conjunction with this bankruptcy proceeding, on November 3, 2010¹⁰ and November 16, 2010,¹¹ the Commission approved applications for the *pro forma* assignments of all but one

⁸ See *In re TerreStar Networks Inc.*, Case No. 10-15446 (SHL) (SDNY Oct. 19, 2010).

⁹ The Bankruptcy Court entered an order approving the disclosure statement on December 22, 2010.

¹⁰ On November 3, 2010, the Commission approved the *pro forma* assignments from TSL to TSL DIP of the Section 214 authorization for international mobile satellite services (ITC2142010051300194) and the Section 214 authorization for global facilities-based and resale authority (ITC2142010051300195). See IBFS File No. ITC-ASG-20101022-00423.

of TSN's and TSL's licenses to TSN DIP and TSL DIP.¹² In turn, TSN DIP filed an application with the FCC on December 10, 2010 seeking the *pro forma* assignment of TSN DIP's licenses and authorizations to TSL DIP. The Commission approved these *pro forma* assignment applications on December 20, 2010. As a result, TSL DIP holds all of the licenses and authorizations previously held by TSN and TSL that are related to TSN's MSS/ATC system.¹³ The Bankruptcy Court has not yet confirmed the proposed Plan.

The EchoStar Parties. EchoStar is providing much of the financial support to enable TSN DIP and TSL DIP to emerge from bankruptcy and execute a successful market strategy upon their emergence. With its focus on creating hardware and service solutions for cable, telecommunications, IPTV and satellite television companies worldwide, EchoStar delivers satellite services using its fleet of ten owned and leased in-orbit satellites and related FCC licenses. EchoStar also provides mobility to multichannel video subscribers through its Sling

¹¹ On November 16, 2010, the Commission approved the *pro forma* assignments from TSN to TSN DIP of the FSS Ku-band earth station authorization for two antennas in Las Vegas, Nevada (call sign E070098) and the MET license that includes the ATC authorization (call sign E060430). *See* IBFS File Nos. SES-ASG-20101101-01416 and SES-ASG-20101101-01417. On November 16, 2010, the Commission also approved the *pro forma* assignment of the 2 GHz earth station authorization for 15 calibration earth stations (call sign E090061) from TSL to TSL DIP. *See* SES-ASG-20101101-01419.

¹² On October 22, 2010, TSN mistakenly filed a *pro forma* assignment application seeking assignment of TSL's LOI spectrum reservation for the TerreStar-1 satellite (call sign S2633) from TSN to TSN DIP, rather than TSL to TSL DIP. *See* IBFS File No. SAT-ASG-20101022-00222. TSN previously had provided the Commission's International Bureau notice of assignment of the LOI spectrum reservation from TSN to TSL. *See* Letter to Ms. Marlene H. Dortch from Mr. Joseph A. Godles, dated February 4, 2008, with reference to File No. SAT-MOD-20070529-00075. Since filing the October 22, 2010 *pro forma* assignment application, TSN DIP has corresponded with the Commission in an effort to update the Commission's International Bureau Filing System to accurately reflect TSL DIP as the holder of the LOI spectrum reservation. This application has not yet been approved by the Commission.

¹³ *See* IBFS File Nos. SES-ASG-20101210-01529 and SES-ASG-20101210-01530.

Box service, which allows consumers to receive their video service from any location worldwide.

EchoStar is controlled by Mr. Charles W. Ergen, Chairman of its Board of Directors. Directly or indirectly through trusts, Mr. Ergen holds shares representing 56.4% of the equity interest (assuming conversion of all shares of outstanding Class B Common Stock into Class A Common Stock) and 92.7% of the voting interest in the company.¹⁴ Mr. Ergen is also the President, Chief Executive Officer, and Chairman of the Board of Directors of DISH Network Corporation (“DISH Network”). Mr. Ergen founded the two companies as EchoStar Communications Corporation in 1980. EchoStar was spun off from DISH Network in 2008. As exemplified by both of EchoStar and DISH Network, Mr. Ergen has been a leading pioneer in the satellite industry and has successfully leveraged satellite technology to provide consumer services to millions of Americans.

III. DESCRIPTION OF THE TRANSACTION

A. Structure of the Transaction

Under the proposed Plan, claims of the Senior PIK noteholders, Exchangeable PIK noteholders and certain general unsecured claims against the TerreStar Companies (collectively, “Claims”) will be exchanged for equity in New TSN, discharging the vast majority of debt

¹⁴ A portion of Mr. Ergen’s interest in EchoStar is held in Grantor Retained Asset Trusts (“GRATs”). The trustee for the GRATs is Mr. William R. Gouger, a U.S. citizen; manager of the estate planning and management services firm of SC Management, LLC; and located at 400 Inverness Parkway, Suite 250, Englewood, Colorado 80112. In his capacity as trustee, Mr. Gouger holds shares representing 22.2% of the equity interest (assuming conversion of all shares of outstanding Class B Common Stock into Class A Common Stock) and 36.7% of the voting interest in the company.

currently held by the TerreStar Companies. New TSL will be a wholly owned subsidiary of New TSN. All pre-bankruptcy rights and interests in TSN, 89% of which are indirectly held by TerreStar Corporation, will be terminated.

B. Equity Distributions

The proposed Plan calls for equity in New TSN to be distributed in the form of common stock (“Common Stock”) and preferred stock (“Preferred Stock”). Common Stock will be distributed to all holders of Claims. Holders of Senior PIK Notes will receive approximately 97% of New TSN’s Common Stock on a pro rata basis to their holdings of Claims. The remaining approximately three percent of New TSN’s Common Stock will be distributed to the holders of the Exchangeable PIK notes and general unsecured claims against certain of the TerreStar Companies. In addition, Senior PIK noteholders and Exchangeable PIK noteholders will be eligible to participate in a \$125 million rights (“Rights”) offering for new Preferred Stock on a pro rata basis (based on their respective holdings of Claims) and in accordance with the Plan. The Common Stock and Preferred Stock have identical voting and economic rights, except that holders of Preferred Stock will receive a liquidation preference in the event of any merger, consolidation, change in control, liquidation or winding up of Reorganized TSN.

Pursuant to an Equity Purchase Commitment Agreement between EchoStar and TSN approved by the Bankruptcy Court on December 22, 2010 (the “EPCA”), EchoStar (and any other holder of Senior PIK notes that executes a joinder to the EPCA on or prior to February 7, 2011 (each such holder, an “Other Backstop Party”)) has committed to support TSN’s restructuring efforts by, among other things, “backstopping” all of the \$125 million Rights offering. Specifically, pursuant to the terms and conditions of the EPCA, EchoStar and any

Other Backstop Parties will fully exercise their Rights to purchase Preferred Stock and will purchase additional unsubscribed shares of Preferred Stock to the extent necessary to ensure that TSN receives at least \$125 million in proceeds from the Rights offering. Furthermore, the proposed Plan provides EchoStar and any Other Backstop Parties with the right to purchase additional Preferred Stock on a pro rata basis in an amount up to \$25 million (“Overallotment Right”), which amount may be reduced by EchoStar in its sole discretion. As a result, the Rights offering and Overallotment Right (collectively, the “Capital Infusion”) will inject between \$125 million and \$150 million of new capital into New TSN.

In addition, EchoStar is providing TSN DIP (and the other TerreStar Companies) with debtor-in-possession financing in the amount of \$75 million to fund its operations during the pendency of the TerreStar Companies’ reorganization. The Capital Infusion will be used, among other things, to repay the debtor-in-possession financing facility in full and to fund the operations of New TSN upon consummation of the Plan.

As a result of these equity distributions and related transactions, EchoStar will be the largest shareholder of New TSN, and the Applicants expect that it will hold at least 50% of New TSN’s equity and voting interests. New TSN, in turn, will wholly own and control New TSL. No other entity is anticipated to hold a direct or indirect interest of 10% or more in New TSN. Exhibit E provides a comprehensive description of the anticipated post-emergence ownership of the Applicants.¹⁵

¹⁵ The Claims continue to be traded, and, as a result, it is not possible to determine at this date the relative participation of the TerreStar Companies’ creditors in the Capital Infusion. However, the Bankruptcy Court has issued an order restricting certain trades of Claims and requiring notification to Applicants of trades of Claims to ensure the accuracy of this Application. Specifically, the Bankruptcy Court has imposed a restriction on any trading of

IV. PUBLIC INTEREST STATEMENT

To approve the transfer of control, the Commission must find that the proposed transaction serves “the public interest, convenience, and necessity.”¹⁶ To make this finding, the Commission has traditionally weighed the public interest benefits of the proposed transaction against any potential public interest harms to determine whether, on balance, the benefits outweigh any harms.

The Commission’s public interest analysis generally has included an examination of the following fundamental questions: (i) will the transaction result in a violation of the Communications Act or the Commission’s rules; (ii) will the transaction yield substantial public interest benefits; and (iii) will the transaction interfere with the objectives of the Communications Act.¹⁷

Claims after the filing of this Application that would result in an entity, upon the effective date of the Plan, (i) becoming a direct or indirect holder of 10% or more equity or voting interests in Reorganized TSN or (ii) becoming or ceasing to be, directly or indirectly, either (a) the largest holder of equity or voting interests in New TSN or (b) the holder of more than 50% of equity or voting interests in New TSN (collectively, the “Trading Restrictions”). In addition, the Bankruptcy Court’s order requires that notification be provided to the Applicants regarding any trade of Claims involving a holder of a sufficient amount of Claims so that such entity would be, upon the effective date of the Plan, a holder of 10% or more of the equity or voting interests in New TSN (“Trading Notifications”). Importantly, the Trading Restrictions ensure that no ownership change can occur between the filing of the Application and the effective date of the Plan that would constitute a major amendment to the Application. In addition, the Trading Restrictions ensure that the Applicants are able to identify any changes to (*i.e.*, additions to or deletions from) the list of the entities that will hold a 10% or greater direct or indirect equity or voting interest in New TSN. If the Capital Infusion results in any additional entities holding a 10% or greater direct or indirect equity or voting interest in New TSN, the Applicants will update the Application in accordance with Section 1.65 of the Commission’s rules. *See* 47 C.F.R. § 1.65.

¹⁶ 47 U.S.C. § 310(d).

¹⁷ *See, e.g., Time Warner Inc. and America Online Inc.*, 16 FCC Rcd. 6547 ¶ 1 (2001).

A. The Transaction Will Comply with the Requirements of the Communications Act, All Other Applicable Statutes, and the Commission's Rules

The proposed transaction will not implicate, much less run afoul of, any aggregation, cross-ownership or service-specific limitations imposed by the Communications Act, Commission regulation or applicable statute. Therefore, no rule waivers are being requested for Commission approval of the instant Application.¹⁸ Further, both EchoStar, a U.S. corporation, and Mr. Ergen, a U.S. citizen, are currently FCC licensees. Therefore their qualifications are a well-established matter of long-standing public record.¹⁹

B. The Transaction Will Yield Significant Public Interest Benefits

The Commission has repeatedly found that a transaction facilitating the retirement of debt during periods of global financial instability and improving access to capital is likely to offer substantial public benefits.²⁰ The Commission has moreover concluded that license transfers

¹⁸ The Applicants will file a petition for declaratory ruling seeking a Commission determination that it is not in the public interest to restrict indirect foreign ownership of New TSL to 25%. *See* 47 U.S.C. § 310(b)(4). In addition, out of an abundance of caution, the Applicants have requested a waiver of the Commission's cut-off rules should such they become applicable to the Applicants during the pendency of this Application. *See* Note 5. No cut-off rule is now applicable to any relevant pending applications.

¹⁹ On July 29, 2010, the International Bureau dismissed EchoStar's application to construct, launch, and operate a C-band satellite at the 84.9° W.L. orbital location on the grounds that EchoStar had surrendered licenses for five satellites in 33 months. The FCC held that such actions give rise to a presumption of speculation by EchoStar, which in turn limits the number of pending applications and unbuilt satellites a licensee may hold. *See* EchoStar Corporation, Application to Operate a C-Band Geostationary Satellite Orbit Satellite in the Fixed-Satellite Service at the 84.9° W.L. Orbital Location, *Memorandum Opinion and Order*, 25 FCC Rcd. 10193 (2010). EchoStar has filed a petition for reconsideration of that decision. In any event, the Commission has explicitly noted that the limitation does not apply to the acquisition of control over existing satellite licenses. Amendment of the Commission's Space Station Licensing Rules and Policies, *First Report and Order*, 18 FCC Rcd. 10760, 10850, ¶ 233 (2003) ("*First-Come, First-Served Order*"). Thus, that decision is inapposite to the instant Application.

²⁰ *See* Iridium Holdings LLC, *Memorandum Opinion and Order*, 24 FCC Rcd. 10725, 10733 (2009).

effectuating bankruptcy-related reorganizations benefit the public interest, facilitate the introduction of new services, and help maintain existing services to the public.²¹ The instant transaction in fact is precisely of this type, and it can be expected to bring about abundant public benefits.

The instant restructuring under bankruptcy protection will afford New TSN and New TSL greater liquidity to meet operational requirements. Increased financial health will, in turn, ensure the uninterrupted provision of MSS services to the public by New TSN, as well as facilitate the continued development of new hybrid MSS/ATC technologies and competitive services. Thus, this new financial and operational structure will allow New TSN to fulfill the public interest benefits of MSS/ATC deployment, including the provision of increased network capacity, more efficient use of spectrum and economies of scale.²²

The transaction also will enable New TSN to draw on EchoStar's long experience, both in the combination of satellite and terrestrial services and in the coexistence of a satellite and terrestrial service in the same spectrum band. As for co-frequency spectrum sharing, EchoStar has had a passive stake in a Multichannel Video Data and Distribution Service ("MVDDS") licensee, South.com, a company now wholly owned by EchoStar's affiliate DISH Network. MVDDS operators share the 12.2-12.7 GHz band with Direct Broadcast Satellite ("DBS")

²¹ See International Authorizations Granted, *Public Notice*, 19 FCC Rcd. 4079 (2004); Space Station Licensee, Inc. and Iridium Constellation LLC, *Memorandum Opinion and Order*, 17 FCC Rcd. 2271, 2288-89 (2002); ICO-Teledesic Global Limited, *Memorandum Opinion and Order*, 16 FCC Rcd. 6403, 6407 (2001); see also Loral/Qualcomm Partnership, L.P., *Order*, 10 FCC Rcd. 2333, 2334 (1995).

²² See Flexibility for Delivery of Communications by Mobile Satellite Service Providers in the 2 GHz Band, the L-Band, and the 1.6/2.4 GHz Bands, *Report and Order and Notice of Proposed Rulemaking*, 18 FCC Rcd. 1962, ¶¶ 2, 20, 45, 210-11 (2003).

providers. EchoStar's expertise will assist New TSN in their operations and in avoiding disruption and interference between its systems and other users of the radio spectrum.

C. The Transaction Will Strengthen Competition and Not Frustrate Any Objectives of the Communications Act or the Commission's Rules

In addition to serving the public interest, the proposed transaction will not result in competitive harms or otherwise frustrate any Commission policy objective but instead will promote competition. EchoStar, which is expected to be the single largest shareholder of New TSN, is controlled by Mr. Charles W. Ergen, who also controls EchoStar's affiliate DISH Network. Such ownership does not raise any competitive concerns, however. Although DISH Network holds an interest in DBSD North America, Inc. ("DBSD"), a company which also holds a 2 GHz MSS authorization, neither DISH nor EchoStar controls DBSD. Moreover, DISH Network's minority stake in DBSD is far below the relevant attributable interest threshold under the Commission's *First-Come, First Served Order*.²³ In a related vein, the transaction will not produce any anticompetitive effects for the simple reason that neither EchoStar nor DISH Network is a participant in the MSS market today.

Therefore, after its financial restructuring, New TSN will be a stronger competitor and better equipped to offer competitive advanced services over its MSS/ATC system. Accordingly, the proposed transaction will serve the public interest consistent with Section 310(d) of the

²³ See *First-Come, First-Served Order* at ¶ 238 (an interest is attributable if the total asset value, defined as the aggregate of all equity plus all debt, exceeds 33%). In particular, DISH Network holds certain debt of DBSD. DBSD is currently in bankruptcy. If DBSD is allowed to complete its bankruptcy reorganization as currently proposed (which it is currently stayed by court order from doing), then DISH Network would receive an approximately 15% equity stake in the reorganized DBSD on account of its debt and certain exit financing.

Communications Act and will promote the Act's objectives instead of endangering these objectives in any way.

V. CONCLUSION

The Applicants have demonstrated that a grant of the instant Application will advance the public interest by enabling TSN DIP and TSL DIP to emerge from bankruptcy in a manner that will allow them to provide new and innovative services to consumers and enhance competition in the market for advanced communications services. Upon the consummation of the Plan, and upon Commission approval of this Application, New TSN, with the assistance of EchoStar, will be better positioned to finance and complete development of its MSS/ATC system.

Prompt grant of this Application is crucial to the completion of the Plan. TSN DIP and TSL DIP cannot emerge from bankruptcy until the Commission acts on the instant Application and other applications being filed with the Commission in relation to the proposed Plan. Any delay in this process would be detrimental to the Applicants. Accordingly, the Applicants request that the Commission promptly grant this Application to ensure the successful reorganization of TSN DIP and TSL DIP.