

IB-04-366

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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SEP 10 2004

Application of)	
)	
Intelsat, Ltd., Transferor)	IB File Nos. SAT-T/C-20040903-00167;
	)	SES-T/C-20040903-01332;
and	)	SES-T/C-20040903-01331;
	)	SES-T/C-20040903-01330;
Zeus Holdings Limited, Transferee	)	SES-T/C-20040903-01328;
	)	SAT-T/C-20040903-00166;
Consolidated Application for Consent to Transfers	)	ITC-T/C-20040907-00357;
of Control of Holders of Title II and Title III	)	ITC-T/C-20040907-00356;
Authorizations	)	ISP-PDR-20040907-00008
)	
and	)	WTB File No. 0001855699
)	
Petition for Declaratory Ruling under Section 310	)	OET File No. 0030-EX-TU-2004
of the Communications Act of 1934, As Amended)	

ERRATUM

On September 3, 2004, Intelsat, Ltd. ("Intelsat") and Zeus Holdings Limited ("Zeus" and, together with Intelsat, the "Applicants") filed the above referenced applications seeking Commission consent to transfer control of certain Title II and Title III authorizations from Intelsat to Zeus. The Applicants hereby submit this erratum to the Consolidated Application submitted with, and attached to, each of the pending transfer of control applications.

- Cover page: Delete the address and phone number provided for Intelsat, Ltd. and replace with:

North Tower, 2nd Floor
90 Pitts Bay Road
Pembroke HM 08, Bermuda
(441) 294-1650
- Page 6, section c, line 3: delete "limited liability company" and replace with "corporation".
- Page 7, section e, line 2: delete "limited liability company" and replace with "corporation".

4. Page 11, footnote 18, lines 1-3: delete "the Sub-Amalgamation will result in the existence of a new entity that is the combination of Intelsat (Bermuda), Ltd. and Zeus Merger Two Limited. The new entity" and replace with "Intelsat (Bermuda), Ltd. and Zeus Bermuda Two Limited will combine and become a single company pursuant to the Sub-Amalgamation. The single company".
5. Page 14, first paragraph, lines 2-3: delete ". Each Private Equity Fund will have the right to appoint one board member" and replace with "elected by an affirmative vote of three-fourths of the votes of all issued and outstanding shares of Zeus entitled to vote on the election of directors. As discussed in Attachment 3, Section II, *infra*, because the Class C shareholders have no voting rights with respect to directors, U.S. citizens will control 51.8% of the votes with respect to the election of directors."
6. Page 23, section E, second paragraph, line 8: insert "non-U.S." before "Limited Partners".
7. Page 24, section E, carryover paragraph, line 2: delete "55% indirect voting interest" and replace with "48.2% voting interest in the election of directors".
8. Page 23, section E, carryover paragraph, line 2: delete "in Zeus" and replace with "and a 45% indirect voting interest in Zeus on all other matters".
9. Page 24, footnote 46: Delete the text in footnote 46 and replace with "A director must be elected by an affirmative vote of three-fourths of the votes of all issued and outstanding shares of Zeus entitled to vote on the election of directors. As discussed in Attachment 3, Section II, *infra*, because the Class C shareholders have no voting rights with respect to directors, U.S. citizens will control 51.8% of the votes with respect to the election of directors."
10. Page 28, footnote 58: delete "50%" and replace with "51.8%".
11. Attachment 3, page 4, paragraph 2, line 3: delete "Guernsey" and replace with "Delaware".
12. Attachment 3, page 9, paragraph 2, lines 7-8: delete "12.90% of the equity in AIF Euro Holdings" and replace with "87.10% of the equity in MDCP Global".
13. Attachment 3, page 10, end of Section II: add the following paragraph and footnote:

By virtue of the distribution of voting power created by the Class B and Class C shares, the principals of Apax Excelsior VI, all of whom are U.S. citizens, will control 1.8% of the votes with respect to the election of Zeus' directors, but 5% of the votes with respect to all other matters.¹³ Taken in combination with the control of 25% of the voting interests of Zeus held by each of MDP and Apollo, each of which are controlled by U.S. citizens, U.S. citizens will control 51.8% of the votes with respect to the election of Zeus' directors."

¹³ Similarly, the principals of Apax Europe V, all of whom are citizens of WTO member states other than the U.S., will control 23.2% of the votes with respect to the election of Zeus' directors, but 20% of the votes with respect to all other matters.

14. Attachment 3, Annex A, Apax Europe V diagram: delete "Guernsey" in the oval representing Apax Europe V GP, L.P. and replace with "Delaware".
15. Attachment 4, page 1, item (iii) for Zeus Holdings Limited: delete "UNITED STATES" and replace with "BERMUDA".
16. Attachment 4, page 10, item (i) for Apax Europe V GP, L.P.: delete "GUERNSEY" and replace with "UNITED STATES".

A conformed copy of the Consolidated Application as modified by this erratum is attached for the sake of clarity and convenience.

Questions regarding this erratum should be referred to Tom W. Davidson (202-887-4011) or Nick Alexander (202-887-4197).

Respectfully submitted,

INTELSAT, LTD.
Transferor

By: _____
Richard Nash
Assistant Secretary

Date: September 10, 2004

ZEUS HOLDINGS LIMITED
Transferee

By: _____
Andrew D. Africk
Vice President

Date: September 10, 2004

¹³ Similarly, the principals of Apax Europe V, all of whom are citizens of WTO member states other than the U.S., will control 23.2% of the votes with respect to the election of Zeus' directors, but 20% of the votes with respect to all other matters.

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

Application of)	
Intelsat, Ltd., Transferor)	
and	)	File No. _____
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)	

**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**

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Its Attorneys

Its Attorneys

September 3, 2004

**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**

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Attachment 2 – FCC Licenses and Authorizations

Attachment 3 – Ownership, Management, and Control of the Proposed Transferees

Attachment 4 – Principal Place of Business Showings

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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Intelsat, Ltd., Transferor)
and)
Zeus Holdings Limited, Transferee)
Consolidated Application for Consent to Transfers)
of Control of the Holders of Title II and Title III)
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Petition for Declaratory Ruling under Section 310)
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**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**

Intelsat, Ltd., together with Zeus Holdings Limited ("Zeus") (jointly, the "Applicants"), submit these joint applications (the "Applications")¹ pursuant to Sections 214, 308, 310(b) and 310(d) of the Communications Act of 1934, as amended (the "Act"), and Sections 1.948(a) 25.119, 63.12, 63.18 and 63.24 of the rules of the Federal Communications Commission (the

¹ Attachment 1 lists the relevant FCC forms and applications that are being filed concurrently herewith. A copy of this Consolidated Application is being filed with each such form and application.

“FCC” or “Commission”).² The Applications seek Commission consent to the transfer of control of the following Intelsat, Ltd. FCC-licensed subsidiaries: (i) Intelsat LLC, which holds Title III licenses; (ii) Intelsat North America LLC, which holds Title III licenses; (iii) Intelsat USA License Corp., which holds Title II common carrier authorizations; and (iv) Intelsat Government Solutions Corporation, which holds a Title II common carrier authorization (together, the “Intelsat Licensees”) from Intelsat, Ltd., the ultimate parent company of the Intelsat Licensees, to Zeus. No licenses or assets that are held by any of the Intelsat Licensees or which are associated with the Applications relate to the provision of domestic services on a common carrier basis.³

The Applications seek Commission approval for the proposed transaction (“Proposed Transaction”) that contemplates the transfer of 100% of the equity and voting interests of Intelsat, Ltd. to Zeus, a Bermuda company. Zeus, in turn, will be wholly owned by twenty entities (including domestic, Cayman Islands, German, Guernsey, and United Kingdom limited partnerships, a Guernsey corporation, Dutch partnerships, and a Guernsey employee investment plan) (collectively, the “Investing Funds”) ultimately controlled by four private equity fund groups: (i) the Apax Europe V and Apax Excelsior VI fund groups (together “Apax”), which are advised respectively by Apax Partners Worldwide, LLP and Apax Partners, Inc. (together “Apax Partners”), (ii) Apollo V fund group (“Apollo”), (iii) Madison Dearborn fund group (“MDP”), and (iv) the Permira Europe III fund group (“Permira Europe III”), a private equity fund advised

² 47 U.S.C. §§ 214, 308, 310(b) & (d); 47 C.F.R. §§ 1.948(a), 25.119, 63.12, 63.18, 63.24.

³ Attachment 2 hereto identifies the Intelsat Licensees and their respective licenses and authorizations.

by Permira ("Permira") (each of (i) to (iv), a "Private Equity Fund" and (i) to (iv) collectively, the "Private Equity Funds").⁴

As described in greater detail below, the Proposed Transaction complies with the requirements of the Act, all other applicable statutes, and the Commission's rules and policies. The Applicants urge the Commission to promptly grant the Applications as the Proposed Transaction will serve the public interest by diluting the ownership interests of former signatories in Intelsat, Ltd. and by enhancing the ability of Intelsat, Ltd. to compete in the Fixed Satellite Services ("FSS") market and to provide new and innovative services to its customers worldwide.

Intelsat, Ltd. also hereby requests a declaratory ruling that its indirect foreign investment is consistent with the public interest standard under Section 310(b)(4) of the Communications Act.

Intelsat, Ltd. will supplement, as necessary, any applications that are pending upon the consummation of the Proposed Transaction to reflect Intelsat, Ltd.'s new ownership.⁵ Intelsat, Ltd. also will adhere to the Commission's procedures for notifying transfers of control of non-U.S. licensed satellites on the Permitted Space Station list.⁶

⁴ The terms "Apax," "Permira Europe III," "Apollo," and "MDP," as used herein, are generic references to four groups of affiliated entities involved in the Proposed Transaction. The ownership structure of these fund groups is delineated in detail in Attachment 3.

⁵ See 47 C.F.R. § 1.65.

⁶ One of the space stations controlled by Intelsat, Ltd., Intelsat Americas 13 (formerly known as Telstar 13), is an in-orbit satellite, the C-band portion of which is licensed by Papua New Guinea. See 47 U.S.C. § 25.137(g); see also *Amendment of the Commission's Space Station Licensing Rules and Policies*, 18 FCC Rcd 10760, 10880, at ¶¶ 326-327 (2003).

The Applicants request that the Commission designate its proceeding to review the Applications as a “permit-but-disclose” proceeding under § 1.1206 of the Commission’s rules.⁷ Such designation will serve the public interest by facilitating the development of a complete record and enabling the Commission to benefit from comprehensive input in the proceeding by the Applicants and other interested parties, if any, with respect to issues that arise in the course of the proceeding. This designation is consistent with the *ex parte* status the Commission previously granted in proceedings involving similar transactions, including a prior application by Intelsat, Ltd. to acquire control of FCC licenses.⁸

I. BACKGROUND

A. *Description of the Transferors and Transferees/Petitioners*

1. Transferors

Intelsat, Ltd. owns and operates a global satellite system that provides space segment capacity used for a wide array of communications services, including voice, video, data and Internet connectivity. Intelsat, Ltd.’s fleet of satellites offers service in more than 200 countries, serving customers that range from large telecommunications carriers and broadcasters to corporate networks and Internet service providers. Intelsat, Ltd.’s customers include distributors that resell capacity, as well as customers that purchase capacity for their own use.

⁷ 47 C.F.R. § 1.1206.

⁸ See, e.g., *Public Notice*, DA 03-2672, Report No. SPB-191 (rel. Aug. 15, 2003), at 2-3 (classifying the assignment application proceeding involving Intelsat North America LLC, Loral Satellite, Inc. (Debtor-in-Possession), Loral SpaceCom Corporation (Debtor-in-Possession), and Loral Space & Communications Ltd. (Debtor-in-Possession) as a “permit-but-disclose” proceeding).

Set forth below is a listing of the Intelsat Licensees and their respective licenses and authorizations.

a. Intelsat LLC

Intelsat LLC holds the majority of Intelsat, Ltd.'s satellite and earth station licenses and also holds certain experimental earth station authorizations and private land mobile radio licenses. In addition, Intelsat LLC is the proposed assignee of a private land mobile radio license, a space station license for the Marisat satellite, and six earth station licenses, all of which are to be acquired from COMSAT General Corporation.⁹

Intelsat LLC, a Delaware limited liability company, is wholly owned and controlled by Intelsat Holdings LLC ("Intelsat Holdings"), also a Delaware limited liability company. Intelsat Holdings, in turn, is wholly owned by Intelsat (Bermuda), Ltd., a company organized under the laws of Bermuda. Intelsat (Bermuda), Ltd. is wholly owned by Intelsat, Ltd., also a company organized under the laws of Bermuda. Intelsat, Ltd. currently is owned by more than 220 entities.¹⁰

⁹ See *COMSAT General Corporation, Lockheed Martin Global Telecommunications, LLC, Comsat New Services, Inc., Intelsat LLC, and Intelsat MTC, LLC, Seek FCC Consent to Assign Licenses and Authorizations and a Declaratory Ruling on Foreign Ownership, Pleading Cycle Established*, Public Notice, IB Docket No. 04-235, DA 04-1873 (IB rel. June 25, 2004) ("*Intelsat-ComGen Public Notice*").

¹⁰ *Intelsat-ComGen Public Notice*, at 4.

b. Intelsat North America LLC

Intelsat North America LLC holds space station licenses recently acquired from Loral Satellite, Inc. and Loral SpaceCom Corporation.¹¹ Intelsat North America LLC is a Delaware limited liability company wholly owned and controlled by Intelsat LLC.

c. Intelsat Government Solutions Corporation

Intelsat Government Solutions Corporation ("IGSC") holds an international Section 214 authorization for global or limited global facilities-based and resale service. IGSC is a Delaware corporation wholly owned by Intelsat USA Sales Corp., a Delaware corporation. Intelsat USA Sales Corp. is, in turn, wholly owned by Intelsat Global Sales & Marketing Ltd. ("IGS&M"), a company organized under the laws of England and Wales. IGS&M is wholly owned by Intelsat (Bermuda), Ltd., which, in turn, is wholly owned by Intelsat, Ltd. As noted above, Intelsat, Ltd. and Intelsat (Bermuda), Ltd. are Bermuda companies.

d. Intelsat MTC LLC

Intelsat MTC LLC is the proposed holder of an international Section 214 authorization and two Title III earth station authorizations to be acquired from Lockheed Martin Global Telecommunications, LLC.¹² Intelsat MTC LLC is a Delaware limited liability company wholly owned and controlled by IGSC, whose ownership is described above.

¹¹ See *Loral Satellite, Inc. (Debtor-in-Possession) and Loral SpaceCom Corporation (Debtor-in-Possession), and Intelsat North America, LLC, Applications for Consent to Assignments of Space Station Authorizations and Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended, Order and Authorization, 19 FCC Rcd 2404 (2004) ("Loral/Intelsat Order")*.

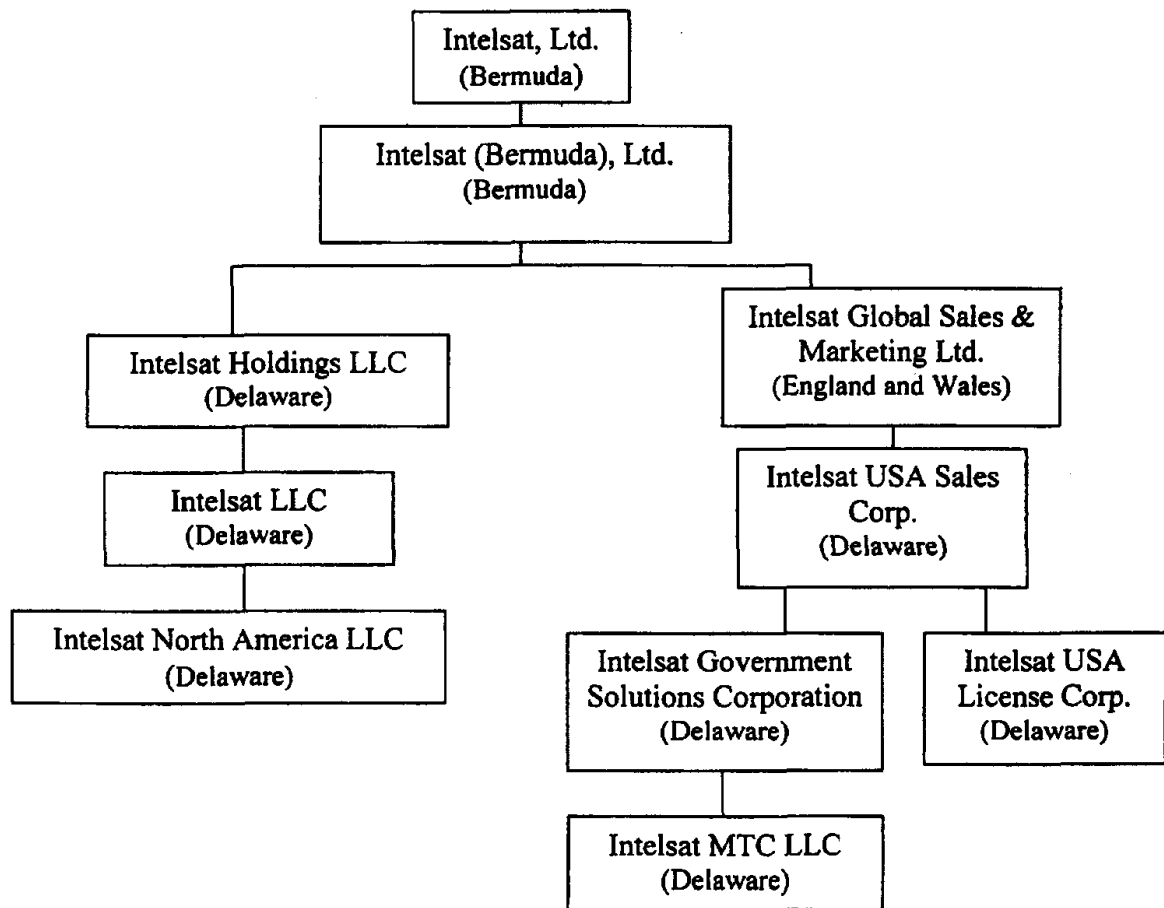
¹² *Intelsat-ComGen Public Notice*, at 4.

e. Intelsat USA License Corp.

Intelsat USA License Corp. holds Title II common carrier authorizations. Intelsat USA License Corp. is a Delaware corporation wholly owned by Intelsat USA Sales Corp.

These companies, depicted graphically below, are hereinafter collectively referred to as "Intelsat."

INTELSAT CORPORATE STRUCTURE



2. Transferees

The Proposed Transaction contemplates a transfer of 100% of the equity of Intelsat, Ltd. to Zeus, a Bermuda company. Zeus, in turn, will be wholly owned by twenty Investing Funds, seventeen of which are organized under the laws of non-U.S. countries that are members, or are treated by the Commission as members,¹³ of the World Trade Organization (“WTO”) and three of which are Delaware limited partnerships. The twenty Investing Funds ultimately are controlled by the four Private Equity Funds, each of which indirectly will control 25% of the outstanding capital stock of Zeus and will have the right to appoint one of the four members of the Zeus board of directors. Two of the Private Equity Funds ultimately are controlled by U.S. citizens and the other two ultimately are controlled by citizens of WTO-member states.

The direct investors in the Investing Funds are several hundred limited partners or other passive investors (“Limited Partners”), none of which has any ability to control or be involved in the day-to-day business operations, activities, and decisions or to manage the day-to-day operations of the Investing Funds or Zeus. Under the respective organizational agreements of each of the Investing Funds, the Limited Partners have no material involvement in the control and management of the respective Investing Funds or Zeus. No Limited Partner of any of the Investing Funds will hold an equity interest in any of the Investing Funds which, when diluted by the applicable Investing Fund’s respective equity interest in Zeus, is equivalent to an equity interest of 5% or greater in Zeus. Limited Partners of the Investing Funds that are U.S. entities or individuals hold a total indirect equity interest in Zeus of approximately 62.63%, and Limited Partners of the Investing Funds that are non-U.S. entities or individuals hold a total indirect

¹³ See, *infra*, notes 18 and 19.

equity interest in Zeus of approximately 37.37%. Non-U.S., non-WTO Limited Partners in the Investing Funds hold a total indirect equity interest in Zeus of less than 1%.

A detailed description of the proposed ownership, management and control of Zeus, including organizational charts illustrating the proposed corporate structure following consummation of the Proposed Transaction, is attached hereto as Attachment 3.

B. *Description of the Proposed Transaction*

On August 16, 2004, Intelsat, Ltd. and its wholly owned subsidiary, Intelsat (Bermuda), Ltd., entered into a transaction agreement and plan of amalgamation (the "Transaction Agreement") with Zeus, its wholly owned subsidiary, Zeus Merger One Limited, a Bermuda limited liability company, and Zeus Merger Two Limited, a Bermuda limited liability company that is wholly owned by Zeus Merger One Limited. Pursuant to the Transaction Agreement, the Private Equity Funds indirectly will acquire 100% of the outstanding capital stock of Intelsat, Ltd. As discussed above, each of the Private Equity Funds holds 25% of the equity interests in Zeus. Zeus, in turn, will own 100% of the outstanding capital stock of Intelsat, Ltd, and thus, each of the Private Equity Funds will indirectly own 25% of the equity interests in Intelsat, Ltd. The Proposed Transaction will be funded with a combination of debt and equity financing for which commitment letters are in place. The aggregate value of the Proposed Transaction, including the assumption by Zeus of approximately \$2 billion of outstanding Intelsat debt, is approximately \$5 billion.

As set forth below, the Proposed Transaction will take place in two phases, which shall occur upon shareholder approval and satisfaction of other closing conditions set forth in the Transaction Agreement.¹⁴

1. Phase One

In Phase One, Intelsat, Ltd. and Zeus Merger One Limited shall amalgamate (the "Amalgamation") and shall continue as a Bermuda exempted company.¹⁵ Each qualifying outstanding ordinary share of Intelsat, Ltd. shall be converted into the right to receive \$18.75 in cash per share (the "Amalgamation Consideration").¹⁶ Each ordinary share of Zeus Merger One

¹⁴ See Intelsat, Ltd., Form 6-K, Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16 Under the Securities Exchange Act of 1934, at Exhibit 2 (Transaction Agreement and Plan of Amalgamation Among Intelsat, Ltd., Intelsat (Bermuda), Ltd., Zeus Holdings Limited, Zeus Merger One Limited and Zeus Merger Two Limited) (filed Aug. 18, 2004).

¹⁵ Under Bermuda law, an amalgamation is a process, similar to a merger, in which two companies combine and become a single company via an amalgamation agreement approved by the companies' boards of directors and shareholders. Although a single company emerges as the surviving entity, Bermuda law imputes that both amalgamating companies continue to "survive" in the amalgamation. The amalgamation becomes effective upon the issuance of a certificate of amalgamation by the Bermuda Registrar. Upon issuance of the certificate, the amalgamated company has the following characteristics under Bermuda law: (i) the property of each amalgamating company becomes the property of the amalgamated Company; (ii) the amalgamated company continues to be liable for the obligations of each amalgamating company; (iii) an existing claim against, or liability of, an amalgamating company shall be unaffected; (iv) civil, criminal, or administrative actions or proceedings pending by or against an amalgamating company may continue to be prosecuted by or against the amalgamated company; and (v) a conviction against, or judgment in favor of (or against), an amalgamating company may be enforced by, or against, the amalgamated company. The amalgamated company is likely to keep the name Intelsat, Ltd. For convenience, this Application does not differentiate between the pre-consummation and post-consummation Intelsat, Ltd.

¹⁶ Certain categories of outstanding ordinary shares of Intelsat, Ltd. will not be converted into the right to receive \$18.75 in cash per share. First, shares owned by Intelsat, Ltd. or Zeus, or any of their direct or indirect subsidiaries, will not be converted, but instead will be cancelled. Second, certain ordinary shares will be converted to the right to receive an amount in cash other than \$18.75, but nevertheless will be converted into cash. These are: (i) unvested restricted shares granted to Intelsat, Ltd. employees under Intelsat, Ltd.'s share incentive plan (which

Limited shall be converted into a validly issued and fully paid ordinary share of the amalgamated entity.¹⁷ After consummation of the Amalgamation, the amalgamated entity will be a wholly owned subsidiary of Zeus.

2. Phase Two

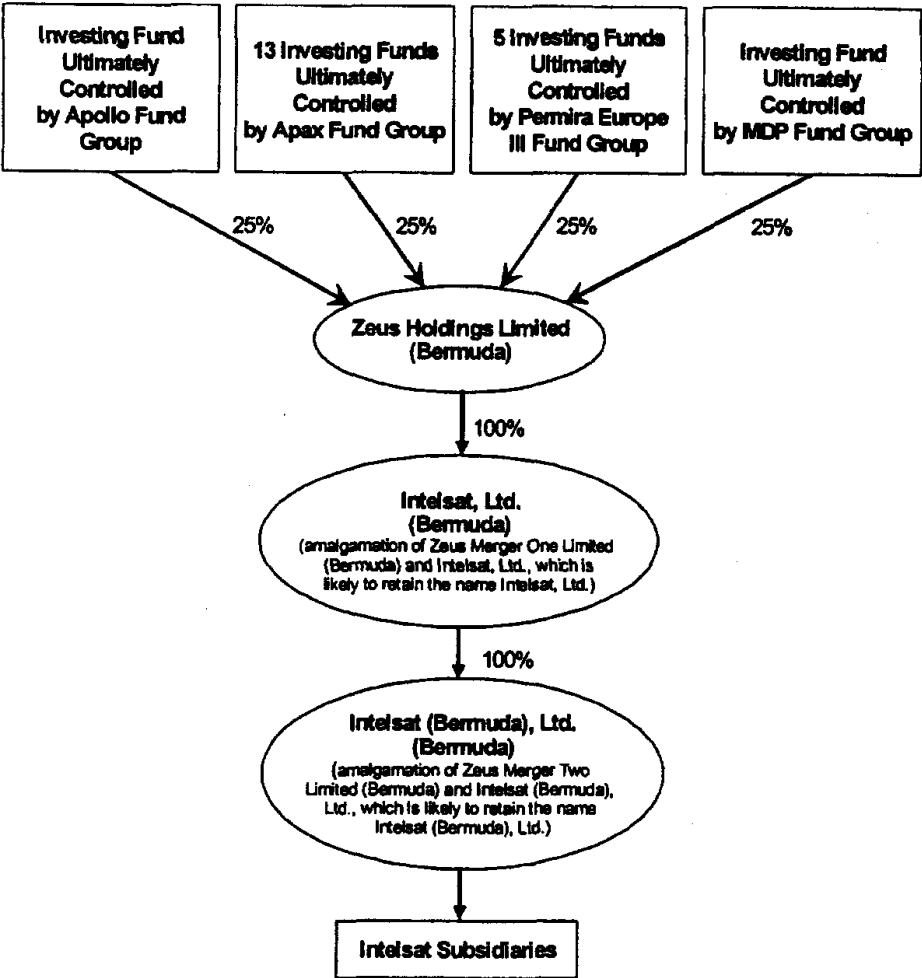
In Phase Two, Intelsat (Bermuda), Ltd. and Zeus Merger Two Limited shall amalgamate (the "Sub-Amalgamation") and shall continue as a Bermuda exempted company.¹⁸ Each outstanding ordinary share of Zeus Merger Two Limited shall be cancelled without any conversion or payment of any consideration. Each issued and outstanding share of Intelsat (Bermuda), Ltd. shall be converted into a validly issued and fully paid ordinary share of the sub-amalgamated entity. The Sub-Amalgamation may occur concurrent with or after the Amalgamation, at the election of Zeus. After consummation of the Sub-Amalgamation, the sub-amalgamated entity resulting from Phase Two will be a wholly owned subsidiary of the amalgamated entity resulting from Phase One.

instead shall be converted to a credit in the amount of the Amalgamation Consideration in a deferred compensation account), and (ii) shares owned by those shareholders that have validly exercised their appraisal rights under Bermuda law.

¹⁷ The capital stock of Zeus will consist of three classes. See Attachment 3, at 10. Regardless of the class of shares held by each Investing Fund, each Private Equity Fund ultimately will control 25% of the voting and equity interests in Zeus.

¹⁸ Under Bermuda law, Intelsat (Bermuda), Ltd. and Zeus Bermuda Two Limited will combine and become a single company pursuant to the Sub-Amalgamation. The single company, however, is likely to keep the name Intelsat (Bermuda), Ltd. For convenience, this Application does not differentiate between the pre-consummation and post-consummation Intelsat (Bermuda), Ltd.

The Proposed Transaction is depicted graphically below.



The Investing Fund ultimately controlled by Apollo is AIF V Euro Holdings, L.P., a Cayman limited partnership. The thirteen Investing Funds ultimately controlled by Apax are divided into two fund groups. The first Apax fund group includes Apax Excelsior VI, L.P., a Delaware limited partnership; Apax Excelsior VI-A, CV and Apax Excelsior VI-B, CV, both of

which are Dutch partnerships; and Patricof Private Investment Club III, L.P., a Delaware limited partnership. The second Apax fund group includes Apax Europe V-A, L.P., a Delaware limited partnership; Apax Europe V-B, L.P., Apax Europe V-D, L.P., Apax Europe V-E, L.P., Apax Europe V-1, L.P., and Apax Europe V-2, L.P., all of which are United Kingdom limited partnerships; Apax Europe V-C GmbH & Co. KG, a German limited partnership; and Apax Europe V-F, CV and Apax Europe V-G, CV, both of which are Dutch partnerships. The investing fund ultimately controlled by MDP is MDCP IV Global Investments, L.P., a Cayman Islands limited partnership. The five Investing Funds ultimately controlled by the Permira Europe III fund group are Permira Europe III L.P. 1 and Permira Europe III L.P. 2, both of which are Guernsey limited partnerships;¹⁹ Permira Europe III GmbH & Co KG, a German limited

¹⁹ The Bailiwick of Guernsey (“Guernsey”) is a British Crown Dependency (“BCD”) located in the English Channel, near France. As a BCD, Guernsey is within the jurisdiction of the United Kingdom. The Monarch of England (Queen Elizabeth II) is the chief of state of Guernsey and appoints the Lieutenant Governor, who is in charge of the day-to-day responsibilities of government. An elected Assembly of the States constitutes Guernsey’s legislative branch. The cabinet consists of an Advisory and finance Committee appointed by the Assembly of States. Since Guernsey is a BCD, the United Kingdom is in charge of Guernsey’s foreign policy and diplomatic relations. In addition, residents of Guernsey are considered British citizens. Therefore, Guernsey is considered a WTO-member for Commission purposes because it is within the jurisdiction of the United Kingdom, a WTO-member state. The Commission treats all territories of the United Kingdom as WTO-members based on a U.S. Department of State opinion. See *Bell Atlantic New Zealand Holdings, Inc., Transferor and Pacific Telecom Inc., Transferee Applications for Consent to Transfer Control of a Submarine Cable Landing License, International and Domestic Section 214 Authorizations, a Cellular Radiotelephone License, Common Carrier and Non-Common Carrier Satellite Earth Station Licenses, and a Petition for Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act*, 18 FCC Rcd 23140, n.80 (IB, WCB and WTB 2003) (citing *Cable & Wireless USA, Inc., Application for Authority to Operate as a Facilities-Based Carrier in Accordance with the Provisions of Section 63.18(e)(4) of the Rules Between the United States and Bermuda, Order, Authorization and Certificate*, DA 00-311, 15 FCC Rcd 3050, 3052, ¶7 (IB 2000) (relying on an opinion provided by the U.S. Department of State to conclude that the 1994 Marrakesh

partnership; Permira Investments Limited, a Guernsey limited liability company; and Permira Europe III Co-Investment Scheme, a Guernsey employee investment plan.²⁰

Following the consummation of the Proposed Transaction, the board of directors of Zeus will consist of four individuals elected by an affirmative vote of three-fourths of the votes of all issued and outstanding shares of Zeus entitled to vote on the election of directors. As discussed in Attachment 3, Section II, *infra*, because the Class C shareholders have no voting rights with respect to directors, U.S. citizens will control 51.8% of the votes with respect to the election of directors. All approvals or actions of Zeus will require approval by three of the four directors, with the exception of any act that would treat any one of the Investing Funds differently from the treatment of the other Investing Funds, which shall require the approval of the differently treated Investing Fund.

The consummation of the Proposed Transaction will, therefore, result in a transfer of control of Intelsat, Ltd. to Zeus.

II. PUBLIC INTEREST ANALYSIS

In considering the Applications, the Commission must determine, pursuant to Sections 214(a) and 310(d) of the Act, that the Proposed Transaction will serve the public interest. As discussed below, the Proposed Transaction serves the public interest, and therefore the Commission should approve the Applications. Specifically, Zeus is legally and financially

Agreement Establishing the World Trade Organization applies to the United Kingdom's overseas territories)).

²⁰ More extensive ownership information regarding the equity ownership and voting control of the Investing Funds and Private Equity Funds, including their non-U.S. equity ownership and voting control, is disclosed in Attachment 3.

qualified to control the Intelsat Licensees and the Proposed Transaction is consistent with the Act and all applicable Commission rules. In addition, the Proposed Transaction is fully consistent with the Commission's rules and policies, including those concerning foreign participation in the U.S. telecommunications market. The Proposed Transaction also will yield substantial public interest benefits without any potential to harm the public. In particular, the Proposed Transaction is consistent with the privatization objectives of the ORBIT Act.²¹ Accordingly, the Commission expeditiously should grant the Applications.

A. Framework for Analysis

Under the standards established by Sections 214(a) and 310(d) of the Act, the Commission will approve a proposed transfer of control if, after weighing the potential public interest harms of the transaction against the public interest benefits, it concludes that, on balance, doing so serves the public interest, convenience, and necessity.²² In making this determination, the Commission first must determine whether a proposed transaction complies with the relevant

²¹ ORBIT Act, Pub. L. No. 106-180, 114 Stat. 48 (2000), *codified at* 47 U.S.C. § 761 *et seq.*

²² *See, e.g., Application of VoiceStream Wireless Corporation, Powertel, Inc., Transferors, and Deutsche Telekom AG, Transferee, for Consent to Transfer Control of Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and for Declaratory Ruling Pursuant to Section 310 of the Communications Act, Memorandum Opinion and Order, FCC 01-142, 16 FCC Rcd 9779, 9789, ¶ 17 (2001) ("VoiceStream/Deutsche Telekom Order"); AT&T Corp., British Telecommunications, plc, VLT Co. LLC, Violet License Co. LLC, and TNV (Bahamas) Limited, Applications For Grant of Section 214 Authority, Modification of Authorizations and Assignment of Licenses in Connection with the Proposed Joint Venture Between AT&T Corp. and British Telecommunications, plc, Memorandum Opinion and Order, 14 FCC Rcd 19140, 19147, ¶ 15 (1999) ("AT&T/BT Order"); Motient Services Inc. and TMI Communications and Company, LP, Assignors, and Mobile Satellite Ventures Subsidiary LLC, Assignee, Order and Authorization, 16 FCC Rcd 20469, 20473, ¶ 11 (IB 2001) ("Motient Services Order").*

provisions of the Act, other applicable statutes, and the Commission's rules,²³ and whether the proposed transferee is qualified to hold FCC licenses under the Act, relevant statutes, and rules. The Commission also must balance any possible adverse effects arising from a proposed transaction on competition in relevant markets²⁴ against the efficiencies and other public interest benefits that are likely to result from the proposed transfer of control.²⁵ Further, the Commission considers whether a proposed transaction presents national security, law enforcement, foreign policy, or trade policy concerns.²⁶ In addition, the foreign ownership of Zeus requires the Commission to determine whether the proposed transfer of control of the licensees holding Intelsat's Title III common carrier licenses is permissible under the foreign ownership provisions of Section 310(b)(4) of the Act and the Commission's foreign participation precedent.²⁷

²³ See, e.g., *Comcast Corporation, AT&T Corp., and AT&T Comcast Corporation*, 17 FCC Rcd. 23246, 23255, ¶ 26 (2002).

²⁴ See, e.g., *EchoStar Communications Corporation, Hughes Electronics Corporation, and General Motors Corporation*, Hearing Designation Order, 17 FCC Rcd 20559, 20576 (2002) ("*EchoStar/Hughes*"); *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from MediaOne Group, Inc., Transferor, To AT&T Corp., Transferee*, Memorandum Opinion and Order, 15 FCC Rcd 9816, 9821 (2000).

²⁵ See, e.g., *VoiceStream/Deutsche Telekom Order*, 16 FCC Rcd at 9789, ¶ 17.

²⁶ See *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, FCC 97-398, 12 FCC Rcd 23891, 23919-21, ¶¶ 61-66 (1997) ("*Foreign Participation Order*"), Order on Reconsideration, 15 FCC Rcd 18158 (2000).

²⁷ 47 U.S.C. § 310(b); *Foreign Participation Order*.

B. Qualifications of Transferees

The Commission evaluates the transferee's qualifications to hold Commission licenses,²⁸ but does not re-evaluate the qualifications of the transferor.²⁹ Among the factors that the Commission considers in its public interest inquiry is whether the proposed transferee holds the requisite "citizenship, character, financial, technical, and other qualifications" to control an FCC licensee.³⁰ Also, Section 310(d) requires that the Commission consider the qualifications of the proposed transferee as if the transferee were applying for the specified licenses directly under Section 308 of the Act, rather than whether the public interest might be served by the transfer of control of the licensees to an entity other than the proposed transferee.

The Private Equity Funds are financially and technically qualified to hold ultimate control of the Intelsat Licensees and such control is consistent with all applicable statutes and regulations. The Private Equity Funds have preeminent direct investing experience in a wide variety of fields and have been active investors in the media and technology sectors in the United States and abroad for over a decade. Moreover, each of the Private Equity Funds has invested significantly in successful communications-oriented businesses. The knowledge and experience gained from such transactions will enable the Private Equity Funds to maximize Intelsat's

²⁸ See 47 U.S.C. § 308; see also *Applications of AirTouch Communications, Inc., Transferor, and Vodaphone Group, PLC, Transferee, for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 14 FCC Rcd 9430, 9432-34 (WTB 1999).

²⁹ See, e.g., *VoiceStream/Deutsche Telekom Order*, 16 FCC Rcd at 9790.

³⁰ See *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Southern New England Telecommunications Corporation, Transferor to SBC Communications, Inc., Transferee*, Memorandum Opinion and Order, 13 FCC Rcd 21292, 21305 (1998) ("*SBC-SNET Order*").

potential by improving the efficiency of Intelsat's operations and providing substantial support to Intelsat's financial position.

Indeed, the Proposed Transaction serves the public interest because it will reenergize Intelsat's business by providing new investment and by providing Intelsat with a more flexible capital structure. Moreover, Intelsat's new private capital structure will be similar to the capital structures: (i) proposed for New Skies Satellites NV as part of its pending acquisition by private equity funds affiliated with Blackstone; (ii) approved by the Commission for PanAmSat as part of its acquisition by private equity funds associated with Kohlberg Kravis & Roberts, The Carlyle Group, and Providence Equity Partners; and (iii) put into place for Inmarsat as part of the acquisition of a controlling interest in Inmarsat Ventures Ltd. by private equity funds advised by Apax and Permira.³¹ Finally, each of the Private Equity Funds has a proven track record of improving the performance and potential of companies involved in the communications industry by increasing their access to capital and by improving their financial positions. Accordingly, control of Intelsat by the Private Equity Funds will enable Intelsat to expand its customer base and product offerings to become a more rigorous competitor in the FSS market.

³¹ See *New Skies Satellite N.V. (Transferor) and Munaro Holding B.V. (Transferee) Seek Approval to Transfer Control of FCC Licenses and Authorizations Held by New Skies Satellite N.V. and New Skies Networks, Inc.*, Public Notice, DA 04-2083, IB Docket No. 04-247 (rel. July 12, 2004); *International Authorizations Granted; Applications of The News Corporation Limited and The DIRECTV Group, Inc. (Transferors) and Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC and PEOP PAS, LLC (Transferees) for Authority to Transfer Control of PanAmSat Licensee Corp.*, Public Notice, DA 04-2509, IB Docket No. 04-209 (IB rel. Aug. 11, 2004); Letter from Alan Auckenthaler, Inmarsat, to Marlene H. Dortch, Secretary, Federal Communications Commission (filed Feb. 10, 2004) (File No. SAT-MS-2004021-00027).