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August 24, 2006

**ELECTRONIC SUBMISSION**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: WC Docket No. 06-106  
*Ex Parte*

Dear Ms. Dortch:

On August 23, 2006, the undersigned, on behalf of Motient Corporation ("Motient") joined with Robert Macklin, General Counsel of Motient, Jared Abbruzzese, Advisor to Motient and Chairman of the Board of TerreStar Networks, Inc. ("TerreStar"), and Tom Davidson of Akin Gump Strauss Hauer & Feld LLP, representing SkyTerra Communications, Inc. ("SkyTerra"), spoke by telephone with James Ball and Howard Griboff of the International Bureau's Policy Division and Neil Dellar of the Office of General Counsel's Transaction Team.

The call was requested by the FCC staff participants to clarify certain aspects of the above-referenced application ("Application"). In one instance, the staff believed that there was a discrepancy between a Motient 10-Q filing with the United States Securities and Exchange Commission ("SEC") and the Application with respect to the number of SkyTerra shares that Motient and its shareholders would own as a result of the transaction described in the Application. In another instance, the staff had a question about the intellectual property licenses held by TerreStar and Mobile Satellite Ventures Subsidiary LLC ("MSV"). Finally, the staff had additional questions regarding the exact manner in which the transaction would facilitate financing of TerreStar and MSV.

The information that the Motient and SkyTerra participants discussed with the FCC staff is reflected below.

**Motient's Interest in SkyTerra:**

Motient currently does not hold any equity or voting interests in SkyTerra. As described in the Application, pursuant to the Initial Exchange (as such term is defined in the Application), Motient will exchange most of its interests in MSV for 29.1 million shares of SkyTerra non-voting common stock. Consequently, upon closing of the Initial Exchange, Motient will hold approximately 45.2% of the equity interests, and 0.0% of the voting interests, in SkyTerra. Motient is contractually obligated to dividend promptly approximately 25.5 million shares of SkyTerra non-voting common stock to its shareholders (which will convert to voting stock when it reaches the hands of Motient's shareholders), which will represent approximately 39.7% of the issued and outstanding SkyTerra common stock ("Motient Dividend"). Motient is required to submit certain filings with the SEC prior to issuing the Motient Dividend. Accordingly, Motient anticipates distributing the Motient Dividend within two to four months after the Initial Exchange.

In sum, as noted in Figure 2 of the Application (as amended on August 22, 2006), following the Initial Exchange and the Motient Dividend, Motient will hold approximately 3.6 million shares of SkyTerra non-voting common stock, *i.e.*, 5.6% of the equity interests, and 0.0% of the voting interests, in SkyTerra. This 5.6% equity interest in SkyTerra will remain non-voting until Motient sells that interest to a third party, or distributes it to its stockholders, but there is no specific time by which a such a sale or distribution may.<sup>1</sup>

In addition to its 5.6% equity interest in SkyTerra, Motient will hold a 19.2% direct equity interest (17.1% fully-diluted for management options) in MSV. Motient has the right to exchange any or all of its remaining equity interest in MSV for up to an additional 18.9 million shares of SkyTerra non-voting common stock ("Subsequent Exchange"). Thus, following the Subsequent Exchange, Motient and its shareholders will hold a combined equity interest of approximately 57.7% in SkyTerra. Any interests Motient holds in SkyTerra,

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<sup>1</sup> Motient intends to sell its 3.6 million shares of SkyTerra common stock obtained in the Initial Exchange on the open market to raise funds to satisfy its tax liability for the Initial Exchange or for general corporate funds.

whether as a result of the Initial Exchange or the Subsequent Exchange, will be in the form of non-voting common stock.<sup>2</sup>

In its quarterly report filed with the SEC for the period ending March 31, 2006, Motient stated that it would be the beneficial owner of approximately 57.2% of the outstanding shares of SkyTerra stock. This statement was inartfully drafted as it does not reflect that Motient will have distributed a portion of its non-voting interest in SkyTerra to its shareholders by virtue of the Motient Dividend. This statement also does not explain that Motient's non-voting interest in SkyTerra will not increase beyond 5.6% until consummation of the Subsequent Exchange. In sum, this statement should have explained that "Motient and its stockholders would be the beneficial owners of" approximately 57.7% of the equity interests in SkyTerra following the Initial Exchange, the Motient Dividend, and the Subsequent Exchange.

#### **IP Licenses:**

By way of background, the arrangement with respect to the intellectual property ("IP") available to both MSV and TerreStar was established in the spring of 2005, when TerreStar's initial financing was put in place. The IP held by MSV was transferred to a holding company LLC, which is owned in equal shares by TerreStar and MSV.

As of May 11, 2005, the holding company executed an irrevocable license agreement with TerreStar for the S-band IP and a similar agreement with MSV for the L-band LP. Pursuant to these license agreements, TerreStar and MSV each has unencumbered access to all of the IP that each company needs to execute its respective business plan.

#### **Facilitation of Financing:**

As explained in the Application and the additional information provided by Motient,<sup>3</sup> a primary benefit of the proposed transaction is that it will facilitate the financing of both TerreStar and MSV. The staff requested further detail on how the transaction would have this effect.

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<sup>2</sup> The Application does not seek approval for the Subsequent Exchange because prior FCC approval is not required to transfer non-voting interests in SkyTerra to Motient.

<sup>3</sup> Letter from Henry Goldberg, attorney for Motient, to Marlene H. Dortch, FCC, dated August 14, 2006; Letter from Henry Goldberg, attorney for Motient, to Marlene H. Dortch, FCC, dated August 7, 2006.

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The Motient participants explained that TerreStar and MSV have very different investment profiles. MSV is a U.S. licensed company with established operations in the L-band, while TerreStar is a "greenfield" start-up. Each company will operate in different frequency bands, which imposes different capital expense needs, and each will be dependent on different vendors. It is also expected that, after this transaction is completed, the companies will compete with one another.

All of these factors present different opportunities to different equity investors, different debt providers, and different strategic partners. As a result, a jointly-owned TerreStar and MSV presented a mixed investment message, as well as material cross-collateralization concerns, and could not be financed by a single investor group or attract compatible strategic partners. Separating the ownership of the companies will generate interest from separate investor groups, thereby making it possible for both business plans to be financed more easily.

Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,

A handwritten signature in black ink that reads "Henry Goldberg". The signature is written in a cursive, flowing style.

Henry Goldberg  
Attorney for Motient Corporation

cc: James Ball  
Howard Griboff  
Neil Dellar