

Before the
Federal Communications Commission
Washington, D.C. 20554

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DEC 21, 2007

In the Matter of)	IB Docket No. 07-181
)	SAT-T/C-20070810-00143
Intelsat Holdings, Ltd., Transferor,)	SAT-T/C-20070810-00111
	)	SAT-T/C-20070810-00112
and	)	SES-T/C-20070815-01100
	)	SES-T/C-20070815-01090
Serafina Holdings Limited, Transferee	)	SES-T/C-20070815-01091
	)	SES-T/C-20070815-01098
Consolidated Application for Consent to Transfer	)	SES-T/C-20070815-01097
Control of Holders of Title II and Title III	)	SES-T/C-20070815-01099
Authorizations	)	SES-T/C-20070815-01093
	)	0003125329
	)	0026-EX-TC-2007
	)	ITC-T/C-20070815-00336
	)	ITC-T/C-20070815-00331

MEMORANDUM OPINION AND ORDER

Adopted: December 18, 2007

Released: December 19, 2007

By the Commission: Commissioner Copps concurring and issuing a statement.

I. INTRODUCTION

1. In this Order, we consider a series of applications (“Applications”) filed by Intelsat Holdings, Ltd. (“Intelsat” or “Transferor”) and Serafina Holdings Limited (“Serafina” or “Transferee” and, together with Intelsat, the “Applicants”) pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (the “Communications Act” or “Act”) and sections 1.948(a), 5.79, 25.119, and 63.24 of the Commission’s rules.¹ In these unopposed Applications, Intelsat and Serafina seek consent to the transfer of control of Intelsat and six subsidiaries of Intelsat – Intelsat LLC, Intelsat North America LLC, Intelsat General Corporation, Intelsat USA License Corp., PanAmSat Licensee Corp., and PanAmSat H-2 Licensee Corp. (together, the “Intelsat Licensees”) – from Intelsat’s existing control group of four private equity firms (“Existing Control Group” or “Existing Shareholders”) to Serafina, a newly-formed Bermuda company indirectly controlled by BC Partners Holdings Limited (“BCP”), a U.K.-based

¹ 47 U.S.C. §§ 214, 310(d). 47 C.F.R. §§ 1.948(a), 5.79, 25.119, 63.24. Associated with each of the fourteen transfer of control applications, the Applicants have submitted a narrative pleading seeking approval of the joint applications. Intelsat Holdings, Ltd., Transferor, and Serafina Holdings Limited, Transferee, Consolidated Application for Consent to Transfer Control of Holders of Title II and Title III Authorizations, IB Docket No. 07-181 (“Consolidated Application”). On October 24, 2007, Serafina updated certain ownership information. *See* Letter to Marlene H. Dortch, Secretary, Federal Communications Commission, from Brian D. Weimer, Counsel for Serafina, IB Docket No. 07-181 (filed Oct. 24, 2007) (“October 24, 2007 Letter”). On November 1, 2007, Serafina filed an updated organizational chart reflecting the new ownership information. Letter to Marlene H. Dortch, Secretary, Federal Communications Commission, from Brian D. Weimer, Counsel for Serafina, IB Docket No. 07-181 (filed Nov. 1, 2007) (“November 1, 2007 Letter”).

investment firm organized under the laws of Guernsey, a British Crown Dependency.² We grant the Petition to Adopt Conditions to Authorizations and Licenses filed by the United States Department of Homeland Security, the United States Department of Justice, and the Federal Bureau of Investigation. We find below that grant of the Applications, as conditioned in this Order, will serve the public interest, convenience and necessity.

II. BACKGROUND

A. The Applications

2. On August 10 and 15, 2007, Intelsat and Serafina filed fourteen applications pursuant to sections 214 and 310(d) of the Act. Each of the Applications attaches the Consolidated Application, a narrative that discusses the proposed transaction. The Consolidated Application and the fourteen Applications, as updated by the October 24, 2007 Letter and November 1, 2007 Letter, seek approval to transfer control of Intelsat to Serafina.³ The Applications pertain to space station licenses, earth station authorizations, wireless licenses, an experimental authorization, and international section 214 authorizations.⁴

B. Description of the Applicants

3. The Transferor – Intelsat/Existing Control Group. Intelsat provides fixed satellite services (“FSS”). Intelsat owns and operates a global satellite system that provides space segment capacity used for communications services such as voice, video, data, and Internet connectivity. As noted above, Intelsat is the indirect parent of the six Intelsat Licensees: (1) Intelsat LLC, which holds non-common carrier earth station licenses, an experimental license, and private land mobile radio licenses; (2) Intelsat North America LLC, which holds non-common carrier space and earth station licenses; (3) Intelsat General Corporation, formerly called Intelsat Government Solutions Corporation, which holds an international section 214 authorization to provide global or limited global facilities-based and resale service; (4) Intelsat USA License Corp., which holds international section 214 authorizations; (5) PanAmSat Licensee Corp., which holds non-common carrier space and earth station licenses; and (6) PanAmSat H-2 Licensee Corp., which holds one non-common carrier space station license. Intelsat offers service in more than 200 countries, serving customers such as large telecommunications carriers, broadcasters, corporate networks, Internet service providers, distributors that resell capacity, and customers that purchase capacity for their own use.⁵

² Consolidated Application at 1-2. The Existing Control Group of current Intelsat shareholders includes Apax Partners Worldwide LLP and Apax Partners, L.P.; Apollo Management V, L.P.; MDP Global Investors Limited; and Permira Advisers LLC. Consolidated Application at 1.

³ The Consolidated Application also asks that the grant of the Applications “include authority for Serafina to acquire control with respect to: (i) all licenses and authorizations issued or assigned to Intelsat or any of its subsidiaries during the pendency of the Applications and prior to the consummation of any approved transaction; and (ii) all applications pending at the time of consummation of the [proposed transaction].” Consolidated Application at 16.

⁴ Attachment A to this Order lists the fourteen Applications and associated authorizations.

⁵ Consolidated Application at 3-5. In 2004, the Commission, on delegated authority, approved the transfer of control of Intelsat, Ltd. and its subsidiaries to Intelsat, then known as Zeus Holdings Limited. *See Intelsat, Ltd., Transferor, and 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*, IB Docket No. 04-366, Order and Authorization, DA 04-4034, 19 FCC Rcd 24820 (Int’l Bur., WTB and OET 2004). In 2006, the Commission approved the transfer of control of licenses held by two indirect subsidiaries of PanAmSat to Intelsat. *See Constellation, LLC, Carlyle PanAmSat I, LLC*, (continued....)

4. The current owners of Intelsat are twenty entities ultimately controlled by the Existing Control Group. Each of the four investment groups comprising the Existing Control Group controls equity and voting interests of approximately twenty-three percent in Intelsat (as measured on a fully diluted basis). Intelsat's management team holds the remaining equity and voting interests.⁶

5. The Transferee – Serafina/BCP. Serafina proposes to acquire all of the equity interests in Intelsat through its wholly-owned subsidiary, Serafina Acquisition Limited, a Bermuda company. The Serafina Board of Directors will be comprised of four members designated by the following investors: (1) BCP (two members); (2) Silver Lake Group, L.L.C. ("Silver Lake"), a U.S.-based investment firm (one member); and (3) Intelsat's management team (one member).⁷ Serafina will issue a single class of voting stock, such that, in all cases, equity and voting interests will be identical.⁸

6. BCP indirectly will control approximately 71 percent of the equity interests in Serafina. The Consolidated Application states that BCP will control Serafina and, by extension, Intelsat.⁹ BCP will exercise its control through 41 subsidiary investment funds (the "BCP Funds"), 35 of which are U.K. limited partnerships, five of which are French "co-invest" partnerships, and one of which is a Guernsey limited partnership. CIE Management II Limited, a wholly-owned subsidiary of BCP organized under the laws of Guernsey, serves as general partner of each of these investment funds.¹⁰ The financial interests in the 41 investment funds are held by over 200 passive investors.¹¹

7. The Applicants further state that only one passive investor in the BCP Funds will hold a ten percent or greater total indirect equity interest in Serafina. According to Applicants, the Ontario Teachers' Pension Plan Board ("Ontario Teachers") will control an indirect equity interest in Serafina of approximately 11.49 percent.¹² The Applicants state that Ontario Teachers currently does not hold a ten percent or greater interest in any Commission-regulated entity, although an investment group headed by Ontario Teachers has entered into a definitive agreement to acquire a 52 percent equity interest in BCE Nexxia Voice Services Corporation (a subsidiary of BCE Inc.), which has an international section 214

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Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC, Transferors, and Intelsat Holdings, Ltd., Transferee, Consolidated Application for Authority to Transfer Control of PanAmSat Licensee Corp. and PanAmSat H-2 Licensee Corp., IB Docket No. 05-290, Memorandum Opinion and Order, FCC 06-85, 21 FCC Rcd 7368 (2006) ("*Intelsat-PanAmSat Order*").

⁶ Consolidated Application at 5.

⁷ Consolidated Application Attachment 3 at 1. Two members of the Board of Directors will be U.S. citizens and two members will be citizens of Western European World Trade Organization ("WTO") Member countries. *Id.* According to Applicants, the boards of directors of Intelsat and Serafina Acquisition Limited will be constituted in the same manner as the Serafina board. *Id.*

⁸ Consolidated Application Attachment 3 at 1.

⁹ Consolidated Application Attachment 3 at 1.

¹⁰ Consolidated Application at 5 and Attachment 3 at 6.

¹¹ Consolidated Application at 5. According to Applicants, limited partners with their principal place of business in the United States will hold approximately 34.90% of the equity in the BCP Funds, while investors with their principal place of business in non-U.S. WTO Member countries will hold approximately 65.10% of the equity in the BCP Funds. October 24, 2007 Letter at Table 2. Applicants state that no investor in the BCP Funds has its principal place of business in a non-WTO Member country. Consolidated Application at 7 and Attachment 3 at 6; October 24, 2007 Letter at Table 2 n.4.

¹² October 24, 2007 Letter at 2. Applicants state that Ontario Teachers' indirect equity interest in Serafina includes a 10.41% indirect equity interest flowing through the BCP Funds and a 1.08% indirect equity interest flowing through the Silver Lake Funds, discussed *infra*. *Id.*

authorization to provide international telecommunications services.¹³

8. BCP itself is owned by seventeen individual shareholders.¹⁴ These shareholders are citizens of: the United States (one); the United Kingdom (four); Germany (three); Italy (four); France (four); and Greece (one).¹⁵ The Applicants state that none of the shareholders holds more than a ten percent equity or voting interest in BCP.¹⁶ BCP is governed by a six-member Board of Directors, although currently only five directorships are filled by citizens of the United Kingdom (four members) and Italy (one member).¹⁷

9. Silver Lake. In addition to its ability to appoint one member of the four-member Board of Directors of Serafina, Silver Lake will hold approximately 16.85 percent of the equity interests in Serafina through its control of two funds (the "Silver Lake Funds"). Silver Lake Partners III, L.P. indirectly will hold approximately 16.82 percent and Silver Lake Technology Investors III, L.P. indirectly will hold approximately 0.03 percent of the equity interests in Serafina.¹⁸ Silver Lake also is expected to hold certain veto rights over decisions of Serafina's board.¹⁹

10. Silver Lake Technology Associates III, L.P. serves as the general partner of each of the Silver Lake Funds and holds approximately 2.18 percent of the equity interests in the Silver Lake Funds.²⁰ SLTA III (GP), L.L.C. serves as General Partner of Silver Lake Technology Associates, L.P., and Silver Lake Group, L.L.C. serves as Managing Member of SLTA III (GP), L.C.C.²¹ The Managing Members of Silver Lake Group, L.L.C. are three U.S. citizens: James Davidson, Glenn Hutchins, and David Roux.²²

¹³ Consolidated Application Attachment 3 at 6-7.

¹⁴ October 24, 2007 Letter at 2.

¹⁵ *Id.*

¹⁶ Consolidated Application at 7; October 24, 2007 Letter at 2.

¹⁷ Consolidated Application at 7 and Attachment 3 at 6, as updated by October 24, 2007 Letter at 2 (one U.K. citizen has resigned and another U.K. citizen has announced his intent to resign prior to closing, and BCP expects to appoint a U.K. citizen to one vacant directorship and a citizen of a Western European, WTO-Member country to the other directorship).

¹⁸ October 24, 2007 Letter at Attachment A.

¹⁹ Consolidated Application Attachment 3 at 7. These include veto rights with respect to: (i) certain employment decisions regarding Intelsat's senior management; (ii) Intelsat's annual budget, if certain performance targets are unmet; (iii) capital expenditures substantially in excess of the aggregate amount approved in Intelsat's annual budget; (iv) certain transactions involving aggregate consideration substantially exceeding Intelsat's enterprise value; (v) any incurrence of indebtedness that would raise Intelsat's leverage ratio in violation of financing documents executed at closing; (vi) material changes to accounting policies, audit programs, public accountants, or classification of Serafina for U.S. income tax purposes; (vii) material changes in the nature of Intelsat's business or subsidiaries; (viii) changes to the governing documents of Serafina or Intelsat, or dissolution or liquidation of Serafina or Intelsat; (ix) affiliate transactions involving BCP and its affiliates; (x) any action in violation of applicable foreign corrupt practices prohibitions, Office of Foreign Asset Control rules, or auditor independence requirements. *Id.* at 7 n.9.

²⁰ Consolidated Application Attachment 3 at 7. Silver Lake Partners, III, L.P., Silver Lake Technology Investors III, L.P., and Silver Lake Technology Associates III, L.P. are Delaware limited partnerships. *Id.* Applicants state that employees of Silver Lake, the majority of whom are U.S. citizens, hold the economic interests in Silver Lake Technology Investors III, L.P. *Id.* at 8.

²¹ Consolidated Application Attachment 3 at 7. Both entities are Delaware limited liability companies. *Id.*

²² *Id.*

11. The financial interests in the Silver Lake Funds are held by over 250 limited partners.²³

12. Other Investors. Other investors in Serafina will include Banc of America Capital Investors V, L.P. (3.37 percent); CSFB Strategic Partners III, L.P., which is indirectly controlled by Credit Suisse (1.35 percent); and twelve members of Intelsat's management team (collectively, approximately 2.04 percent).²⁴ The remaining equity in Serafina (approximately 5.26 percent) is subject to continuing syndication for passive investors by the BCP Funds and, in the event that the full 5.26 percent is not syndicated or acquired by Intelsat management, the remainder will be acquired by the Existing Control Group of Intelsat shareholders.²⁵

C. Description of the Transaction²⁶

13. On June 19, 2007, Serafina and Serafina Acquisition Limited entered into a Share Purchase Agreement ("Agreement") with Intelsat and funds controlled by the Existing Shareholders. Pursuant to the terms of the Agreement and upon consummation of the transaction, Serafina and Serafina Acquisition Limited will acquire all of the equity and voting interests in Intelsat from the Existing Shareholders. The aggregate value of the transaction, including the assumption by Serafina of approximately \$11.4 billion of debt, is \$16.4 billion.²⁷

14. In connection with the transaction, Intelsat's subsidiary Intelsat (Bermuda), Ltd. ("Intelsat Bermuda") will create a new wholly-owned direct subsidiary to be named Intelsat Jackson Holdings, Ltd. ("Intelsat Jackson").²⁸ Immediately after consummation of Serafina's and Serafina Acquisition Limited's acquisition of all equity and voting interests in Intelsat, Intelsat Bermuda will transfer substantially all of its assets and liabilities to Intelsat Jackson, and the debt issued in connection with the acquisition of Intelsat by Serafina Acquisition Limited will be assigned to Intelsat Bermuda.²⁹

D. Application Review Process

15. On September 19, 2007, the Commission placed the Applications on public notice as

²³ Consolidated Application at 7. According to Applicants, general and limited partners holding approximately 58.56% of the equity in the Silver Lake Funds have their principal place of business in the United States, while limited partners holding approximately 41.38% have their principal place of business outside of the United States. October 24, 2007 Letter at 2-3. One limited partner, holding 0.06% in the Silver Lake Funds, has its principal place of business in Lebanon, a non-WTO Member. October 24, 2007 Letter at 3. Applicants state that no limited partner will have the ability to control, manage, or become involved in the day-to-day business operations or decision-making of the Silver Lake Funds, Serafina, or Intelsat. Consolidated Application Attachment 3 at 8.

²⁴ Consolidated Application Attachment 3 at 1-2, as updated by October 24, 2007 Letter at 3 and Attachment A. The management team members who will hold Serafina shares are citizens of the United States (9 members), Canada (1 member), France (1 member), and the United Kingdom (1 member). *Id.* at 2; Consolidated Application at 8 as updated by October 24, 2007 Letter at 3. According to the Applicants, Banc of America Capital Investors V, L.P. has its principal place of business in the United States, and CSFB Strategic Partners III, L.P. has its principal place of business in the United States but is controlled by entities with their principal place of business in Switzerland. Consolidated Application at 8.

²⁵ Consolidated Application at 8 and Attachment 3 at 1-2, as updated by October 24, 2007 Letter at Attachment A.

²⁶ Attachment B to this Order shows Intelsat's expected ownership structure upon consummation of the transaction.

²⁷ Consolidated Application at 8-9.

²⁸ Intelsat Bermuda, a Bermuda company, is wholly owned by Intelsat. Consolidated Application at 3.

²⁹ Consolidated Application at 9.

acceptable for filing.³⁰ On October 15, 2007, the Department of Homeland Security, the Department of Justice, and the Federal Bureau of Investigation (the "Executive Branch Agencies") filed a Petition to Adopt Conditions to Authorizations and Licenses.³¹ No other comments were filed on the Applications.

III. PUBLIC INTEREST ANALYSIS

A. Standard of Review

16. Pursuant to section 214(a) and 310(d) of the Act,³² the Commission must determine whether the proposed transfer of control to Serafina of Intelsat and the Intelsat Licensees will serve the public interest, convenience, and necessity.³³ In making this determination, we first assess whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission's rules. If the proposed transaction would not violate a statute or rule, the Commission considers whether it could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes. The Commission then employs a balancing test weighing any potential public interest harms of the proposed transaction against the potential public interest benefits.³⁴ The Applicants bear the burden of proving, by a preponderance of the evidence, that

³⁰ *Intelsat Holdings, Ltd., Transferor, and Serafina Holdings Limited, Transferee, Seek FCC Consent to Transfer Control of Licenses and Authorizations*, IB Docket No. 07-181, Public Notice, DA 07-3972, 22 FCC Rcd 16957 (Int'l Bur. 2007).

³¹ See *infra* at Section III.E.

³² 47 U.S.C. §§ 214(a), 310(d).

³³ 47 U.S.C. § 310(d) requires that we consider the applications for transfer of Title III licenses under the same standard as if the proposed transferee were applying for the licenses directly under section 308 of the Act, 47 U.S.C. § 308. Thus, we must examine the Applicants' qualifications to hold licenses. See *BCE Inc. and Loral Skynet Corporation, Transferors/Assignors, and 4363205 Canada Inc., 4363213 Canada Inc., and Skynet Satellite Corporation, Transferees/Assignees, For Consent to Transfer of Control or Assignment of Licenses and Authorizations held by Telesat Canada, Able Infosat Communications, Inc., Loral Skynet Corporation, and Loral Skynet Network and Petitions for Declaratory Ruling that the Transaction is Consistent with Section 310(b)(4) of the Communications Act*, IB Docket No. 07-44, Memorandum Opinion and Order and Declaratory Ruling, FCC 07-178, 22 FCC Rcd 18049, 18052, ¶ 11 (2007) ("BCE-Loral Order"); *Verizon Communications, Inc., Transferor and America Movil, S.A. de C.V., Transferee, Application for Authority to Transfer Control of Telecomunicaciones de Puerto Rico, Inc. (TELPRI)*, WT Docket No. 06-113, Memorandum Opinion and Order and Declaratory Ruling, FCC 07-43, 22 FCC Rcd 6195, 6202-3, ¶ 17 (2007) ("TELPRI Order"); *Applications of Guam Cellular and Paging, Inc. and DoCoMo Guam Holdings, Inc.*, WT Docket No. 06-96, Memorandum Opinion and Order and Declaratory Ruling, FCC 06-167, 21 FCC Rcd 13580, 13588, ¶ 13 (2006) ("DoCoMo-Guam Cellular Order"); *Applications of Midwest Wireless Holdings, L.L.C. and ALLTEL Communications, Inc.*, WT Docket No. 05-339, Memorandum Opinion and Order, FCC 06-146, 21 FCC Rcd 11526, 11535, ¶ 16 (2006) ("ALLTEL-Midwest Wireless Order"); *SBC Communications, Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, WC Docket No. 05-65, Memorandum Opinion and Order, FCC 05-183, 20 FCC Rcd 18290, 18300 n.60 (2005) ("SBC/AT&T Order"); *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, WC Docket No. 05-75, Memorandum Opinion and Order, FCC 05-184, 20 FCC Rcd 18433, 18443 n.59 (2005) ("Verizon/MCI Order"); *Applications of Western Wireless Corporation and Alltel Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 05-50, Memorandum Opinion and Order, FCC 05-138, 20 FCC Rcd 13053, 13062-63 ¶ 17 (2005) ("Alltel/Western Wireless Order").

³⁴ See, e.g., *BCE-Loral Order*, 22 FCC Rcd at 18052-53, ¶ 11; *TELPRI Order*, 22 FCC Rcd at 6202-3, ¶ 17; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13589, ¶ 13; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11535, ¶ 16; *SBC/AT&T Order*, 20 FCC Rcd at 18300 ¶ 16; *Verizon/MCI Order*, 20 FCC Rcd at 18443 ¶ 16; *Applications of Nextel Communications, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses* (continued....)

the proposed transaction, on balance, serves the public interest.³⁵ If we are unable to find that the proposed transaction serves the public interest for any reason, or if the record presents a substantial and material question of fact, we may designate the application for hearing.³⁶

17. Our public interest evaluation necessarily encompasses the “broad aims of the Communications Act,”³⁷ which include, among other things, a deeply rooted preference for preserving and enhancing competition in relevant markets, accelerating private sector deployment of advanced services, ensuring a diversity of license holdings, and generally managing the spectrum in the public interest.³⁸ Our public interest analysis may also entail assessing whether the proposed transaction will affect the quality of communications services or will result in the provision of new or additional services to consumers.³⁹ In conducting this analysis, the Commission may consider technological and market changes, and the nature, complexity, and speed of change of, as well as trends within, the communications industry.⁴⁰

18. Our analysis starts with an examination of whether the Applicants are qualified to hold authorizations and licenses pursuant to sections 214(a) and 310(d) of the Act.⁴¹ Next, we consider any effects of the transactions on competition. Then we consider foreign ownership issues. Finally, we consider issues related to national security, law enforcement, foreign policy, and trade policy.

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and Authorizations, WT Docket No. 05-63, Memorandum Opinion and Order, FCC 05-148, 20 FCC Rcd 13967, 13976 ¶ 20 (2005); *Alltel/Western Wireless Order*, 20 FCC Rcd at 13062-63 ¶ 17.

³⁵ See, e.g., *BCE-Loral Order*, 22 FCC Rcd at 18053, ¶ 11; *TELPRI Order*, 22 FCC Rcd at 6202-3, ¶ 17; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13589, ¶ 13; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11535, ¶ 16; *SBC/AT&T Order*, 20 FCC Rcd at 18300 ¶ 16; *Verizon/MCI Order*, 20 FCC Rcd at 18443 ¶ 16.

³⁶ We are not required to designate for hearing applications for the transfer or assignment of Title II authorizations when we are unable to find that the public interest would be served by granting the applications. See *ITT World Communications, Inc. v. FCC*, 595 F.2d 897, 901 (2d Cir. 1979). We may, however, do so if we find that a hearing would be in the public interest. However, with respect to the applications to transfer licenses subject to Title III of the Act, if we are unable to find that the proposed transaction serves the public interest, or if the record presents a substantial and material question of fact, section 309(e) of the Act requires that we designate the applications for hearing. 47 U.S.C. § 309(e); see *BCE-Loral Order*, 22 FCC Rcd at 18053, ¶ 11; *TELPRI Order*, 22 FCC Rcd 6202-3, ¶ 17; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13589, ¶ 13; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11535, ¶ 16.

³⁷ See *BCE-Loral Order*, 22 FCC Rcd at 18053, ¶ 12; *TELPRI Order*, 22 FCC Rcd at 6203, ¶ 18; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13591, ¶ 15; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11537, ¶ 18; *SBC/AT&T Order*, 20 FCC Rcd at 18301 ¶ 17; *Verizon/MCI Order*, 20 FCC Rcd at 18443 ¶ 17.

³⁸ See 47 U.S.C. §§ 157 nt. (incorporating section 706 of the Telecommunications Act of 1996, Pub. Law No. 104-104, 110 Stat. 56 (1996) (1996 Act), 254, 332(c)(7)); 1996 Act, Preamble; *BCE-Loral Order*, 22 FCC Rcd at 18053, ¶ 12; *TELPRI Order*, 22 FCC Rcd 6203, ¶ 18; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13591, ¶ 15; *SBC/AT&T Order*, 20 FCC Rcd at 18301 ¶ 17; *Verizon/MCI Order*, 20 FCC Rcd at 18443-44 ¶ 17.

³⁹ See *BCE-Loral Order*, 22 FCC Rcd at 18053, ¶ 12; *TELPRI Order*, 22 FCC Rcd at 6204, ¶ 18; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13591, ¶ 15; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11537, ¶ 18; *SBC/AT&T Order*, 20 FCC Rcd at 18301 ¶ 17; *Verizon/MCI Order*, 20 FCC Rcd at 18443-44 ¶ 17.

⁴⁰ See *BCE-Loral Order*, 22 FCC Rcd at 18053, ¶ 12; *TELPRI Order*, 22 FCC Rcd at 6204, ¶ 18; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13591, ¶ 15; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11537, ¶ 18; *SBC/AT&T Order*, 20 FCC Rcd at 18301-02 ¶ 17; *Verizon/MCI Order*, 20 FCC Rcd at 18444 ¶ 17.

⁴¹ 47 U.S.C. §§ 214(a), 310(d).

B. Qualifications of the Applicants

19. As a threshold matter, we must determine whether the Applicants meet the requisite qualifications to hold and transfer or assign licenses under section 310(d) of the Act and the Commission's rules. In general, when evaluating transfers of control and assignments under section 310(d), we do not re-evaluate the qualifications of the transferor or assignor.⁴² The exception to this rule occurs where issues related to basic qualifications have been designated for hearing by the Commission or have been sufficiently raised in petitions to warrant the designation of a hearing.⁴³ This is not the case here, so we need not re-evaluate Intelsat's basic qualifications.

20. Section 310(d) also requires that the Commission consider the qualifications of the proposed assignee/transferee as if the assignee/transferee were applying for the license directly under section 308 of the Act.⁴⁴ No party has challenged the basic qualifications of Serafina, and nothing has come to our attention that would disqualify Serafina on the grounds that it lacks the technical, legal or other basic qualifications necessary to be a Commission licensee or authorization holder. Thus, we find that Serafina possesses the requisite basic qualifications to be the transferee of the licenses and authorizations currently held by the Intelsat Licensees.

C. Effect on Competition

21. Our public interest analysis under Section 214(a) and 310(d) includes an evaluation of the competitive effects of the proposed transaction in both the relevant product markets and the relevant geographic markets. For telecommunications service providers, the Commission has determined that the relevant product markets can include both service to U.S. domestic telecommunications markets and service between the United States and foreign telecommunications markets.

22. Intelsat owns and operates a global FSS satellite system that provides space segment capacity for communications services in the United States and internationally. The transaction described in the Applications will not change the competitive landscape in the FSS market from when we last examined it in 2006.⁴⁵ According to Applicants, neither Serafina nor BCP or any other Serafina investor holds an attributable interest in any telecommunications, satellite, or media company serving any U.S. market that Intelsat also serves.⁴⁶ The proposed transaction therefore would not result in consolidation of interests or an increase in market power in the provision of communications services within the United States or between the United States and foreign telecommunications markets. As a result, we find that

⁴² See *BCE-Loral Order*, 22 FCC Rcd at 18054, ¶ 14; *TELPRI Order*, 22 FCC Rcd at 6204, ¶ 20; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13590, ¶ 14; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11536, ¶ 17; *SBC/AT&T Order*, 20 FCC Rcd at 18379, ¶ 171; *Verizon/MCI Order*, 20 FCC Rcd at 18526, ¶ 183.

⁴³ See *BCE-Loral Order*, 22 FCC Rcd at 18054, ¶ 14; *TELPRI Order*, 22 FCC Rcd at 6204, ¶ 20; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13590, ¶ 14; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11536, ¶ 17; *SBC/AT&T Order*, 20 FCC Rcd at 18379, ¶ 171; *Verizon/MCI Order*, 20 FCC Rcd at 18526, ¶ 183.

⁴⁴ Section 308 requires that applicants for Commission licenses set forth such facts as the Commission may require as to citizenship, character, and financial, technical, and other qualifications. See 47 U.S.C. § 308. Our rules implementing the provisions of section 308 regarding an applicant's qualifications to hold the Commission licenses involved in this transfer are set forth in Parts 5, 25, 63 and 90 of the Commission's rules. See 47 C.F.R. Parts 5, 25, 63, 90.

⁴⁵ *Intelsat-PanAmSat Order*, 21 FCC Rcd at 7382-91, ¶¶ 25-46. See also *Annual Report and Analysis of Competitive Market Conditions with Respect to Domestic and International Satellite Communications Services*, IB Docket No. 06-67, First Report, FCC 07-34, 22 FCC Rcd 5954 (2007).

⁴⁶ Consolidated Application at 11.

there is no basis to conclude that the proposed transaction is likely to harm competition.

D. Foreign Ownership

23. Because of the foreign ownership interests presented in this case,⁴⁷ we first consider the applicability of section 310(a) and (b) of the Communications Act.⁴⁸ We find that neither provision applies to the proposed transaction. No foreign government or its representative would hold any of the subject licenses. Thus, our review does not fall under section 310(a) of the Act, which prohibits "any foreign government or the representative thereof" from holding a license.⁴⁹ Further, the Applications before us involve the transfer of control of FSS space and earth station licenses, wireless licenses, and an experimental authorization, all of which are held, and are to be transferred, on a non-common carrier basis.⁵⁰ We find that the proposed transaction does not involve a "broadcast or common carrier or aeronautical en route or aeronautical fixed radio station license," and thus the statutory provisions of section 310(b) of the Act do not apply.⁵¹

24. Regardless of the applicability of section 310(a) and (b) of the Act, the Commission maintains a responsibility pursuant to section 310(d) to determine whether a specific transfer or assignment involving Title III licenses will serve the public interest, convenience, and necessity.⁵² Thus, consistent with our responsibilities under section 310(d), where appropriate, our review considers whether public interest harms are likely to result from foreign investment in Title III licensees.⁵³ We consider whether foreign investment in U.S. licensees is likely to distort competition in any relevant U.S. market or further competition with resulting efficiencies and other public interest benefits.⁵⁴ If we were to find any harms resulting from foreign investment, we would consider these harms in the overall balancing of the potential public interest harms and benefits of the proposed transaction.⁵⁵

25. Our inquiry here focuses on whether the transfer of control of the Title III authorizations held by the Intelsat Licensees is likely to create competitive distortions in the U.S. market based on the foreign ownership of Serafina. We have noted, above in Section III.C, Applicants' statement that neither BCP nor any other Serafina investor holds an attributable interest in any telecommunications, satellite, or media company serving any U.S. market served by the Intelsat Licensees. Based on this representation,

⁴⁷ Serafina is an entity organized under the laws of Bermuda and indirectly controlled by BCP, a U.K.-based investment firm organized under the laws of Guernsey, a British Crown Dependency, through BCP's wholly-owned subsidiary CIE Management II Limited, also organized under the laws of Guernsey, which serves as general partner of each of the 41 BCP Funds. Consolidated Application at 1-2, 5. Private equity fund groups investing in Serafina include investing funds organized under foreign laws, having foreign limited partners, and having foreign citizens or entities with direct or indirect controlling interests in the investing funds. See generally October 24, 2007 Letter.

⁴⁸ 47 U.S.C. § 310(a), (b).

⁴⁹ 47 U.S.C. § 310(a).

⁵⁰ See Consolidated Application at 12-13.

⁵¹ See U.S.C. § 310(b).

⁵² 47 U.S.C. § 310(d).

⁵³ See, e.g., *Intelsat-PanAmSat Order*, 21 FCC Rcd at 7392, ¶ 48; *General Motors Corporation and Hughes Electronics Corporation, Transferors, and The News Corporation Limited, Transferee, For Authority to Transfer Control*, MB Docket No. 03-124, Memorandum Opinion and Order, FCC 03-330, 19 FCC Rcd 473, 491, ¶ 33 (2004).

⁵⁴ *Intelsat-PanAmSat Order*, 21 FCC Rcd at 7392, ¶ 48.

⁵⁵ *Id.*

we have concluded that the proposed transaction would not result in consolidation of interests or increased market power within the United States or between the United States and foreign telecommunications markets.⁵⁶ We find that the foreign ownership of Serafina does not alter that conclusion. We observe that, as discussed below in Section III.E, the Executive Branch Agencies have stated that they have no objection to grant of the Applications with the condition set forth *infra* in paragraph 30. Moreover, Applicants represent that Serafina will be owned, with one exception, by U.S. and WTO Member investors.⁵⁷ Based on the Applicants' representations and our review of the record, we find that the proposed acquisition of Intelsat and the Intelsat Licensees by Serafina is not likely to create competitive distortions in these markets based on the foreign ownership of Serafina.

E. National Security, Law Enforcement, Foreign Policy, and Trade Concerns

26. On October 15, 2007, the Executive Branch Agencies filed a Petition to Adopt Conditions to Authorizations and Licenses ("Petition"). The Petition states that the Executive Branch Agencies have no objection to the grant of the Applications provided that the Commission condition the grant on Serafina abiding by the commitments and undertakings contained in the October 9, 2007 Letter to the Executive Branch Agencies.⁵⁸ The Petition also states that the parties to the Applications do not object to the grant of the Petition. The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is involved. Under Commission precedent, we defer to the Executive Branch's expertise on national security and law enforcement issues.⁵⁹ In accordance with the request of the Executive Branch Agencies, and in the absence of objection from the Applicants, we condition the grant of the Applications on Serafina's compliance with the commitments and undertakings in the October 9, 2007 Letter.

F. Pending Applications

27. Applicants ask the Commission to grant Serafina authority to acquire control with respect to: (1) all licenses and authorizations issued or assigned to Intelsat or any of its subsidiaries during the pendency of the Applications and prior to consummation of any approved transaction; and (2) all

⁵⁶ See *supra* ¶ 22.

⁵⁷ Both Bermuda, the jurisdiction where Serafina was formed, and the United Kingdom, where BCP was organized under the laws of Guernsey, a British Crown Dependency, are WTO Member countries. Applicants represent that the seventeen individuals who own greater-than-ten-percent equity or voting interests in BCP are citizens of the United States or Western European WTO Member countries, as are the current and proposed directors of the BCP Board. October 24, 2007 Letter at 2. Applicants state that the Ontario Teachers' Pension Plan Board, a Canadian entity, will control an indirect equity interest in Serafina of approximately 11.49 percent. *Id.* Canada is a WTO Member country. The forty-five Serafina investor groups are organized in the United States or WTO Member countries. October 24, 2007 Letter at Attachment A. Applicants further represent that all non-U.S. investors in Serafina – except for one limited partner with a 0.06 percent equity interest in the Silver Lake Funds whose principal place of business is Lebanon – are citizens of, or have their principal place of business in, WTO Member countries. October 24, 2007 Letter at Table 2.

⁵⁸ Letter from Serafina and Intelsat to Kenneth L. Wainstein, Elaine N. Lammert, and Stewart A. Baker, dated October 9, 2007 ("October 9, 2007 Letter"). The Petition and the October 9, 2007 Letter are publicly available on the FCC web site by searching the record for this proceeding, IB Docket 07-181, through the Electronic Comment Filing System, available at http://fjallfoss.fcc.gov/prod/ecfs/comsrch_v2.cgi.

⁵⁹ See *Foreign Participation Order*, 12 FCC Rcd at 23918 ¶ 59, 23919-21 ¶¶ 61-66; *Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Satellite Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170, ¶ 178 (1997).

applications pending at the time of consummation of the proposed transaction.⁶⁰ We grant Applicants' request to transfer control of the relevant licenses and authorizations issued or assigned to Intelsat or its subsidiaries. Consistent with section 1.65 of the Commission's rules,⁶¹ Serafina and the Intelsat Licensees should amend any currently pending applications to reflect the consummation of the transaction approved by this Order. Additionally, to the extent that Attachment A to this Order does not include all authorizations issued to the Intelsat Licensees during the period between the filing of the Applications and the consummation of the proposed transaction, the Applicants should file with the Commission, within 30 days of consummation of the transaction, a section 1.65 letter referencing IB Docket No. 07-181 and each applicable file number and providing an updated version of Attachment A that includes all relevant authorizations and call signs.

IV. CONCLUSION

28. There is no evidence in the record to suggest that Serafina lacks the basic qualifications to be the transferee of the licenses and authorizations currently held by the Intelsat Licensees or that the proposed transaction would harm competition or otherwise contravene any Commission rule or policy. We therefore find that the Applicants have met their burden and that grant of the Applications, as conditioned herein, will serve the public interest, convenience, and necessity.⁶²

V. ORDERING CLAUSES

29. Accordingly, IT IS ORDERED that, pursuant to sections 4(i) and (j), 214(a), 309, 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214(a), 309, 310(d), the Applications for the transfer of control and assignment of licenses and authorizations set forth in Appendix A ARE GRANTED, to the extent specified and as conditioned in this Memorandum Opinion and Order.

30. IT IS FURTHER ORDERED that, pursuant to sections 4(i) and (j), 214, 309, and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214, 309, 310(d), the Petition to Adopt Conditions to Authorizations and Licenses filed jointly by the U.S. Department of Justice, the Federal Bureau of Investigation, and the U.S. Department of Homeland Security on October 15, 2007 IS GRANTED. Grant of the Applications IS CONDITIONED UPON compliance with the commitments and undertakings set forth in the October 9, 2007 letter from Serafina and Intelsat, attached to this Memorandum Opinion and Order in Appendix C.

31. IT IS FURTHER ORDERED that, pursuant to section 25.119(f) of the Commission's rules, 47 C.F.R. § 25.119(f), consummation of this transaction shall be completed within 60 days from the release of this Memorandum Opinion and Order. Pursuant to sections 1.948(d) and 25.119(f) of the Commission's rules, 47 C.F.R. §§ 1.948(d), 25.119(f), within 30 days of consummation, the Commission shall be notified by letter and by the filing of FCC Form 603, Schedule D, of the date of consummation and the file numbers of the Applications involved in the transaction.

32. IT IS FURTHER ORDERED that, pursuant to section 1.65 of the Commission's rules, 47 C.F.R. § 1.65, the Applicants are afforded 30 days from the date of release of this Order to amend all pending applications in connection with the instant Applications to reflect the transfer of control approved in this Order.

⁶⁰ Consolidated Application at 15-16.

⁶¹ 47 C.F.R. § 1.65.

⁶² 47 U.S.C. §§ 214(a), 310(d).

33. IT IS FURTHER ORDERED that this Memorandum Opinion and Order SHALL BE EFFECTIVE upon release. Petitions for reconsideration under section 1.106 of the Commission's rules, 47 C.F.R. § 1.106, may be filed within thirty (30) days of the date of this Memorandum Opinion and Order.

FEDERAL COMMUNICATIONS COMMISSION

A handwritten signature in black ink, appearing to read "Marlene H. Dortch", written in a cursive style.

Marlene H. Dortch
Secretary

ATTACHMENT A

Applications

Part 25 – Satellite Earth Station, VSAT, and Space Station Authorizations

The following applications for consent to the transfer of control of satellite earth station, VSAT and space station authorizations have been assigned the file numbers below.

<u>File No.</u>	<u>Licensee</u>	<u>Type of Station Authorization</u>	<u>Call Signs</u>
SAT-T/C-20070810-00113	Intelsat North America LLC	Space stations (28)	KS35, S2647, S2401, S2160, S2395, S2159, S2397, S2469, S2388, S2154, S2400, S2414, S2394, S2411, S2399, S2389, S2392, S2409, S2408, S2407, S2406, S2405, S2404, S2402, S2391, S2396, S2398, S2410
SAT-T/C-20070810-00111	PanAmSat Licensee Corp.	Space stations (23)	S2387, S2385, S2386, S2422, S2715, S2253, S2237, S2378, S2687, S2146, S2377, S2381, S2380, S2229, S2704, S2359, S2461, S2460, S2459, PAS-2R, S2368, S2707, S2382
SAT-T/C-20070810-00112	PanAmSat H-2 Licensee Corp.	Space station (1)	S2423
SES-T/C-20070815-01100	Intelsat North America LLC	Fixed earth stations (26)	E040125, E020169, KB26, KA275, E020314, KA270, E000296, KA269, KA264, KA268, KA263, KA266, E060388, E060384, E000355, KA265, KA267, KA258, KA25, E020315, E980485, E040343, KA261, KA260, KA259, KA262
SES-T/C-20070815-01090	Intelsat LLC	VSAT earth station (1)	E070067
SES-T/C-20070815-01091	Intelsat LLC	Temporary-Fixed earth stations (3)	E920519, E970319, E970091
SES-T/C-20070815-01098	Intelsat LLC	Fixed earth stations (32)	WA22, E980510, E070050, WN52, E060108, E030051, E040286, E030071,

			E060029, E030082, E020191, E030100, E990320, E030101, E990131, E980526, E980200, E040140, E040141, E040414, E960187, KA251, E050048, E050009, E050049, E900992, E010104, E020126, E960186, E030103, E990551, E010206
SES-T/C-20070815-01097	PanAmSat Licensee Corp.	VSAT earth stations (3)	E010280, E050169, E050174
SES-T/C-20070815-01099	PanAmSat Licensee Corp.	Fixed earth stations (71)	E030175, E990091, KA450, E030106, E990056, E940532, E990223, E030096, E980069, E990214, E030073, E900757, E030072, E010019, E990024, E020309, E980503, E020260, E980502, E980501, E980467, E980460, E7465, KA391, E930088, E990363, E881286, E010133, E000063, E990323, E010112, E970391, E040174, E000488, E990092, E990433, E000364, E060198, E030012, E000363, E050311, E000274, E030306, E000048, E030020, E990441, E990365, E990334, E990224, E030307, E970189, E010113, KA71, E960411, E030232, E000049, E881304, E940333, E860175, E4132, E2178, E950508, E970392, E950502, E970051, E950267, KA416, E950307, E030182, KL92, E950067
SES-T/C-20070815-01093	PanAmSat Licensee Corp.	Temporary-fixed earth stations (2)	E010118, E990055

Part 90 – Wireless Radio Services Authorizations

The following application for consent to the transfer of control of wireless radio services licenses has been assigned the file number listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Type of Station Authorization</u>	<u>Call Signs</u>
0003125329	Intelsat LLC	Industrial/business pool, conventional (4)	WII902, WPAG761, WPRR963, WPYJ473

Part 5 – Experimental Authorization

The following application for consent to transfer of control of an experimental authorization has been assigned the file number listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign</u>
0026-EX-TC-2007	Intelsat LLC	WD2XHU

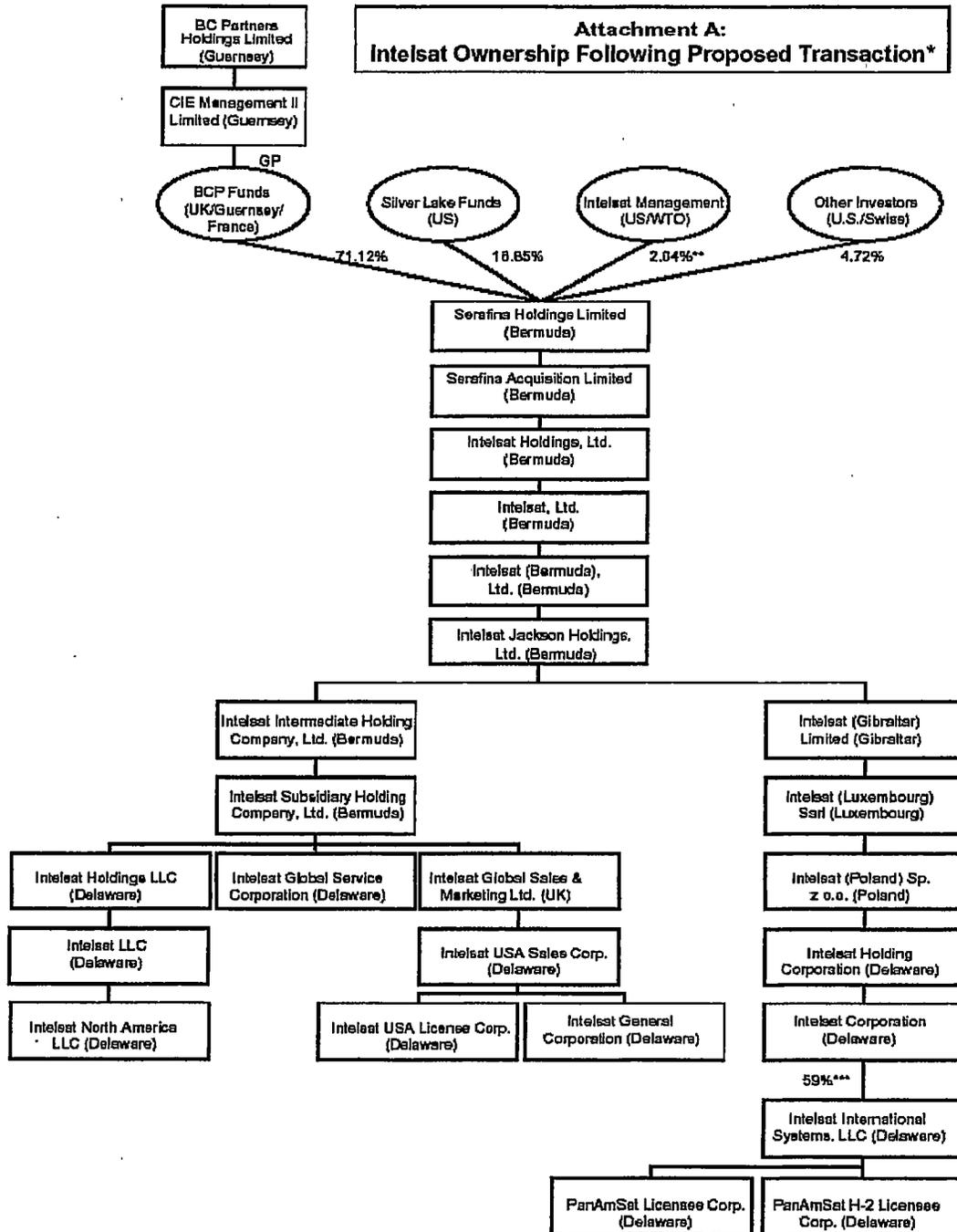
Part 63 – International Section 214 Authorizations

The following applications for consent to transfer of control of international section 214 authorizations have been assigned the file numbers listed below.

<u>File No.</u>	<u>Authorization Holder</u>	<u>Authorization Numbers</u>
ITC-T/C-20070815-00336	Intelsat General Corp.	ITC-214-20040528-00213, ITC-MOD-20050329-00170
ITC-T/C-20070815-00331	Intelsat USA License Corp.	ITC-214-19930829-00248, ITC-214-19920318-00117, ITC-MOD-20051007-00445, ITC-214-20051031-00443

ATTACHMENT B

Intelsat Ownership Following Proposed Transaction¹



¹ The contents of Attachment B are excerpted from the November 1, 2007 Letter at Attachment A.

Notes to Attachment A

- * All subsidiaries are wholly-owned unless otherwise noted.
- ** The stated interest of Intelsat management is based on a minimum equity investment by Intelsat management required by the Share Purchase Agreement and will fluctuate in immaterial amounts depending upon the date of the closing and the continued employment of certain members of management. Individual members of Intelsat's management may elect to reinvest additional amounts in the post-transaction Intelsat and, to the extent they do so, there may be resulting small adjustments in other investors' interests.
- *** Intelsat Corporation owns 59 percent of Intelsat International Systems, LLC. USHI, LLC, a Delaware limited liability company, owns the remaining 41 percent of Intelsat International Systems, LLC. USHI, LLC is wholly owned by PanAmSat International Holdings LLC, also a Delaware limited liability company, which in turn is wholly owned by Intelsat Corporation.

ATTACHMENT C

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

In the Matter of	)	File Nos.:
)	
INTELSAT HOLDINGS, LTD.,	)	ITC-T/C-20070815-00331
	)	ITC-T/C-20070815-00336
<i>Transferor,</i>	)	SAT-T/C-20070810-00111
	)	SAT-T/C-20070810-00112
and	)	SAT-T/C-20070810-00113
	)	SES-T/C-20070815-01090
SERAFINA HOLDINGS LIMITED,	)	SES-T/C-20070815-01091
	)	SES-T/C-20070815-01093
<i>Transferee.</i>	)	SES-T/C-20070815-01097
	)	SES-T/C-20070815-01098
Consolidated Application for Consent to	)	SES-T/C-20070815-01099
Transfer Control of Holders of Title II and	)	SES-T/C-20070815-01100
Title III Authorizations	)	ULS File No. 0003125329
	)	ELS File No. 0022-EX-TU-2007
)	
	)	IB Docket No. 07-181
)	

**PETITION TO ADOPT CONDITIONS TO
 AUTHORIZATIONS AND LICENSES**

The Department of Homeland Security ("DHS"), with the Department of Justice ("DOJ") and the Federal Bureau of Investigation ("FBI") (collectively, the "Agencies"), respectfully submit this Petition to Adopt Conditions to Authorizations and Licenses ("Petition"), pursuant to Section 1.41 of the Federal Communications Commission ("FCC" or "Commission") rules.¹ Through this Petition, the Agencies advise the Commission that they have no objection to the Commission granting its consent in the above-referenced proceeding, provided that the Commission conditions the grant on Serafina Holdings Limited ("Serafina") and Intelsat Holdings, Ltd. ("Intelsat") abiding by the commitments and undertakings contained in their

¹ 47 C.F.R. § 1.41.

October 9, 2007 letter to Kenneth L. Wainstein, Elaine N. Lammert, and Stewart A. Baker (the "Letter"), attached hereto as Exhibit 1.

In the above-captioned proceeding, Serafina and Intelsat seek Commission consent to transfer control of Intelsat to Serafina. Following consummation of this transfer of control, Serafina will indirectly control a variety of U.S. space station, earth station, wireless, and experimental licenses and international Section 214 authorizations held by Intelsat's subsidiaries.

As the Commission is aware, the Agencies have taken the position that their ability to satisfy their obligations to protect the national security, enforce the laws, and preserve the safety of the public could be impaired by transactions in which foreign entities will own or operate a part of the U.S. telecommunications system, or in which foreign-located facilities will be used to provide domestic telecommunications services to U.S. customers. After discussions with representatives of Serafina and Intelsat in connection with the proposed transfer of control, the Agencies have concluded that the commitments set forth in the Letter will help ensure that the Agencies and other entities with responsibility for enforcing the law, protecting the national security, and preserving public safety can proceed in a legal, secure, and confidential manner to satisfy these responsibilities. Accordingly, the Agencies hereby advise the Commission that they have no objection to the Commission granting the above-referenced applications, provided that the Commission conditions its consent on compliance by Serafina and Intelsat with the commitments set forth in the Letter.

The Agencies are authorized to state that neither Serafina nor Intelsat objects to the grant of this Petition.

Respectfully submitted,

/s/ CHARLES STEELE

Charles Steele
Chief of Staff
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United States Department of Justice
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/s/ STEWART A. BAKER

Stewart A. Baker
Assistant Secretary for Policy
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3801 Nebraska Avenue, N.W.
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/s/ ELAINE N. LAMMERT

Elaine N. Lammert
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Federal Bureau of Investigation
923 Pennsylvania Avenue, N.W.
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October 15, 2007

October 9, 2007

Mr. Kenneth L. Wainstein
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Re: Proposed Acquisition of Intelsat Holdings, Ltd. by Serafina Holdings Limited

Dear Mr. Wainstein, Ms. Lammert, and Mr. Baker:

Serafina Holdings Limited ("Serafina") and Intelsat Holdings, Ltd. ("Intelsat")¹ appreciate the opportunity to confer with representatives of the Department of Justice ("DOJ"), the Federal Bureau of Investigation ("FBI"), and the Department of Homeland Security ("DHS") (collectively, the "Agencies") regarding the proposed acquisition of Intelsat by Serafina (the "Proposed Transaction"). This letter is intended to confirm that Serafina and Intelsat will continue to honor the commitments set forth in Intelsat's November 24, 2004 letter to the Agencies (the "Intelsat/Zeus Commitment Letter")² and Intelsat's December 5, 2005 letter to the Agencies (the "Intelsat/PanAmSat Commitment Letter")³ once the Proposed Transaction is consummated.

¹ Intelsat Holdings, Ltd. was formerly known as Zeus Holdings Limited ("Zeus").

² See *Intelsat, Ltd., Transferor, and 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*, Order and Authorization, 19 FCC Rcd 24820, at App. D (2004).

³ See *Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC, Transferors and Intelsat Holdings, Ltd., Transferee Consolidated Application for Authority to Transfer Control of PanAmSat Licensee*

I. The Parties

A. Intelsat

Intelsat is the leading provider of fixed satellite services ("FSS") worldwide, serving the media, network services, and government customer sectors. Intelsat 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.⁴ Intelsat's extensive 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's customers include distributors that resell capacity, as well as customers that purchase capacity for their own use.

Six subsidiaries of Intelsat (the "Intelsat Licensees") collectively hold authorizations from the Federal Communications Commission ("FCC") to (i) operate non-common carrier FSS satellites using the C-, Ku- and Ka-bands; (ii) operate non-common carrier earth stations that transmit and/or receive signals in those frequency bands; (iii) operate private land mobile radio stations; (iv) operate an experimental station; and (v) provide telecommunications services pursuant to Section 214 of the Communications Act of 1934, as amended.

Intelsat is currently controlled by Apax Partners Worldwide LLP and Apax Partners, L.P. ("Apax"); Apollo Management V, L.P. ("Apollo"); MDP Global Investors Limited ("MDP"); and Permira Advisers LLC ("Permira," and together with Apax, Apollo, and MDP, the "Existing Control Group"). Each of the four investment groups comprising the Existing Control Group currently controls equity and voting interests of approximately 23 percent in Intelsat (as measured on a fully-diluted basis), with the remaining equity and voting interests held by members of Intelsat's management team.

Intelsat's core network control assets are located in the United States, and all key control functions – operational headquarters, network operating center, and central tracking, telemetry and control functions – are based in the United States.

B. Serafina

Serafina is a newly-formed, privately-held Bermuda company ultimately controlled by BC Partners Holdings Limited ("BCP"), a UK-based investment firm organized under the laws of Guernsey. Forty-one subsidiary investment funds controlled

Corp. and PanAmSat H-2 Licensee Corp., Memorandum Opinion and Order, 21 FCC Rcd 7368, at App. C (2006).

⁴ As Intelsat informed the Agencies by letter dated October 5, 2004, a limited amount of satellite-based mobile service is also provided by reselling satellite capacity and facilities obtained from other operators.

by BCP (the "BCP Funds") will collectively hold approximately 71.12 percent of the equity interests in Serafina. Thirty-five of the BCP Funds are constituted as UK limited partnerships, five of the BCP Funds are constituted as French "co-invest" partnerships, and the remaining fund is constituted as a Guernsey limited partnership. CIE Management II Limited ("CIE"), a wholly-owned subsidiary of BCP organized under the laws of Guernsey, serves as General Partner of each of the BCP Funds. Through its control of the BCP Funds, BCP will control Serafina and by extension Intelsat.

The economic interests in the BCP Funds are held by over 200 limited partners. None of these investors will have any ability to control, manage, or be involved in the day-to-day business operations or decision-making of the BCP Funds, Serafina, or Intelsat, with the minor exception of several investors holding an aggregate equity interest of approximately 0.86 percent in the BCP Funds who are shareholders of BCP or otherwise affiliated with BCP. Limited partners with their principal place of business in the U.S. will hold approximately 34.90 percent of the equity in the BCP Funds, while limited partners with their principal place of business in non-U.S. WTO Member countries will hold approximately 65.10 percent of the equity in the BCP Funds. No limited partner in the BCP Funds has its principal place of business in a non-WTO Member country.

Two funds (the "Silver Lake Funds") ultimately controlled by Silver Lake Group, L.L.C., a U.S.-based investment firm, will collectively hold approximately 16.85 percent of the equity interests in Serafina. Silver Lake Technology Associates III, L.P., which is controlled by Silver Lake Group, L.L.C., serves as General Partner of each of the Silver Lake Funds, and holds approximately 2.18 percent of the equity in the Silver Lake Funds. The other economic interests in the Silver Lake Funds are held by over 250 passive limited partners, none of which will have any ability to control, manage, or be involved in the day-to-day business operations or decision-making of the Silver Lake Funds, Serafina, or Intelsat. General and limited partners with their principal place of business in the United States hold approximately 58.56 percent of the equity in the Silver Lake Funds, and limited partners with their principal place of business outside of the United States hold approximately 41.44 percent of the equity in the Silver Lake Funds. One limited partner, with an equity interest of approximately 0.06 percent in the Silver Lake Funds, has its principal place of business in a non-WTO Member country (Lebanon).

Banc of America Capital Investors V, L.P., which has its principal place of business in the United States, will hold approximately 3.37 percent of the equity in Serafina. CSFB Strategic Partners III, L.P. (indirectly controlled by Credit Suisse), which has its principal place of business in the United States but is controlled by entities with their principal place of business in Switzerland, will hold approximately 1.35 percent of the equity in Serafina. Twelve members of Intelsat's management team will collectively hold an equity interest in Serafina of at least 2.04 percent.⁵ These individuals

⁵ This percentage is based on a minimum equity investment by Intelsat management required by the Agreement and assumes a closing date of January 1, 2008. The minimum equity investment will fluctuate in immaterial amounts depending upon the

are citizens of the following countries: the United States (9); Canada (1); France (1); and the United Kingdom (1). The remaining equity in Serafina, approximately 5.26 percent, is subject to continuing syndication for passive investors by the BCP funds. In the event the full 5.26 percent is not syndicated or acquired by Intelsat management, the Existing Control Group will acquire the unsyndicated amount.

II. The Transaction

On June 19, 2007, Serafina and its wholly-owned subsidiary, Serafina Acquisition Limited, also a Bermuda company, entered into a Share Purchase Agreement ("Agreement") with Intelsat and its existing shareholders. Pursuant to the terms of the Agreement, and upon consummation of the Proposed Transaction, Serafina and Serafina Acquisition Limited will acquire all of the equity and voting interests in Intelsat. The aggregate value of the Proposed Transaction, including the assumption by Serafina of approximately \$11.4 billion of debt, is \$16.4 billion.

Consummation of the Proposed Transaction is subject to a number of closing conditions, including receipt of requisite regulatory approvals. Among other regulatory filings that have been or will be made, Intelsat and Serafina filed a consolidated application with the FCC on August 10, 2007 seeking approval to transfer control of the Intelsat entities holding FCC authorizations to Serafina. Intelsat and Serafina anticipate closing the Proposed Transaction in the fourth quarter of 2007 or the first quarter of 2008.

Following consummation of the Proposed Transaction, the Boards of Intelsat, Serafina, and Serafina Acquisition Limited will be the same and will be comprised of four members, two of whom will be representatives of BCP, one of whom will be a representative of Silver Lake, and one of whom will be a member of Intelsat management. Following consummation of the Proposed Transaction, it is anticipated that two members of each Board will be U.S. citizens, and two will be citizens of Western European countries.

date of the closing and the continued employment of certain members of management. Individual members of Intelsat's management may elect to reinvest additional amounts in the post-transaction Intelsat. To the extent management increases its equity interest, there may be consequent small adjustments in other investors' interests.

III. Confirmation of Existing Intelsat Commitments

A. Security Committee of Intelsat Corporation

In the Intelsat/Zeus Commitment Letter and the Intelsat/PanAmSat Commitment Letter, which continued certain commitments made to the Agencies in previous Intelsat transactions, Intelsat agreed to maintain a Security Committee within Intelsat's U.S. subsidiary, Intelsat Global Service Corporation. Subsequently, as part of the consolidation of Intelsat's operations with those of PanAmSat, this Security Committee was incorporated into Intelsat Corporation.⁶ This Security Committee, which is composed exclusively of U.S. citizens who serve on the board of Intelsat Corporation, has lead responsibility for overseeing security issues related to Intelsat's domestic communications network, records related to domestic communications, and electronic surveillance by U.S. federal, state, and local authorities. In addition, the Security Committee serves as a point of contact for addressing law enforcement, national security, and infrastructure protection issues with U.S. government agencies.

The Security Committee has carried out these responsibilities, and will continue to carry them out after the consummation of the Proposed Transaction.⁷ In addition, to ensure that the Agencies maintain up-to-date information concerning the Security Committee, Intelsat Corporation will continue to inform the Agencies in a timely fashion of changes to the composition of the Committee.⁸

B. Proxy Agreement for Intelsat General Corporation

In the Intelsat/Zeus Commitment Letter and the Intelsat/PanAmSat Commitment Letter, Intelsat agreed to maintain the proxy agreement structure that covers its cleared U.S. subsidiary, Intelsat General Corporation ("Intelsat General"), so as to ensure that no impermissible foreign ownership, control, or influence is exercised over the business activities of Intelsat General. Following consummation of the Proposed Transaction, Intelsat General will continue to operate under that proxy agreement structure.

⁶ Intelsat notified the Agencies of the closing of its acquisition of PanAmSat, and of the related relocation of the Security Committee to Intelsat Corporation, by letter dated July 5, 2006.

⁷ In the Intelsat/Zeus Commitment Letter, Intelsat also committed to provide the Agencies, within 60 days of the closing of the Intelsat/Zeus transaction, a copy of the policies and procedures adopted and implemented by the Security Committee. Intelsat satisfied that commitment in its letter to the Agencies dated January 27, 2005, and it provided updated copies of the policies and procedures in its letters dated October 28, 2005 and July 5, 2006.

⁸ Intelsat provided the Agencies with updated information concerning the composition of the Security Committee in its letters dated March 29, 2005; October 28, 2005; January 11, 2006; and July 5, 2006.

C. Cooperation with U.S. Government Electronic Surveillance Activities

In the Intelsat/Zeus Commitment Letter and the Intelsat/PanAmSat Commitment Letter, Intelsat agreed to take all reasonable measures to assist and support the FBI or any other U.S. federal, state, or local agency with law enforcement or national security responsibilities in conducting, in a secure and efficient manner, lawfully authorized electronic surveillance. Intelsat also agreed that such assistance would include disclosure, if necessary, of technical and engineering information related to the design, maintenance, or operation of Intelsat's systems. Finally, Intelsat agreed that it would work together with the agency seeking electronic surveillance cooperation to determine what is reasonable, taking into account the investigative needs of the agency and Intelsat's commercial interests. The Proposed Transaction does not alter the commitments of Intelsat set forth or continued in the Intelsat/Zeus Commitment Letter and the Intelsat/PanAmSat Commitment Letter, and Serafina and Intelsat hereby reaffirm those commitments.

The nature of Intelsat's business is such that there is no existing or contemplated provision of common carrier switched services by Intelsat. Thus, we continue to believe that Intelsat is, generally speaking, an unlikely target for requests to assist U.S. law enforcement agencies with electronic surveillance. Nonetheless, Intelsat stands ready, and will continue to stand ready, to assist government agencies with lawfully authorized electronic surveillance. As noted above, the Intelsat Corporation Security Committee will continue to be the primary point of contact for U.S. government agencies in connection with requests for assistance with electronic surveillance.

Nothing in this letter is intended to excuse Intelsat from any obligation it may have to comply with U.S. legal requirements for the retention, preservation, or production of information, records or data, or from any applicable requirements of the Communications Assistance for Law Enforcement Act, 47 U.S.C. § 1001, et. seq.

D. Provision of Common Carrier Switched Services in the Future

In the Intelsat/Zeus Commitment Letter and the Intelsat/PanAmSat Commitment Letter, Intelsat agreed to provide the Agencies with advance notice of any provision of common carrier switched services by Intelsat, even if no further FCC authorization is required. In particular, Intelsat agreed that (i) for any common carrier switched service that requires additional Section 214 authorization, Intelsat would provide the Agencies with a copy of any application filed with the FCC; (ii) for any common carrier switched service that may be provided without obtaining a new Section 214 authorization (such as a new domestic switched service), Intelsat would notify the Agencies 30 days before offering the service; and (iii) before using any of the equipment subject to Title III licenses transferred in connection with the Intelsat/PanAmSat or Intelsat/Zeus transactions to provide common carrier switched services, Intelsat would notify the Agencies 30 days in advance.

Following consummation of the Proposed Transaction, Intelsat will continue these commitments as set forth or continued in the Intelsat/Zeus Commitment

Letter and the Intelsat/PanAmSat Commitment Letter. As noted above, Intelsat does not offer, and has no plans to offer, any common carrier switched service. Nonetheless, should Intelsat offer such service in the future, Intelsat will provide advance notice to the Agencies as described in the Intelsat/Zeus Commitment Letter and the Intelsat/PanAmSat Commitment Letter.

E. Future Changes to Boards of Directors

In the Intelsat/Zeus Commitment Letter and the Intelsat/PanAmSat Commitment Letter, Intelsat agreed to notify the Agencies of the initial composition of the boards of directors of Intelsat, Intelsat, Ltd., and Intelsat (Bermuda), Ltd. (the "Intelsat Boards") and of subsequent changes to the Intelsat Boards.⁹ Following consummation of the Proposed Transaction, Serafina will extend this obligation to cover the boards of Serafina and Serafina Acquisition Limited (the "Serafina Boards"). We will continue to provide the Agencies with updated information concerning the composition of the Serafina Boards and the Intelsat Boards until such time as such notification is no longer needed by operation of law or by decision of the Agencies. In addition, we remain willing to provide the Agencies with such other information concerning the Serafina Boards and Intelsat Boards as they may reasonably request.

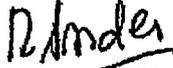
* * * * *

⁹ By letter dated February 11, 2005, Intelsat provided the Agencies with information concerning the initial composition of the Intelsat Boards. In addition, by letters dated March 29, 2005, July 5, 2006, and August 24, 2007, Intelsat supplied the Agencies with updated information concerning the composition of the Intelsat Boards, and notified the agencies that Zeus had changed its name to Intelsat Holdings, Ltd.

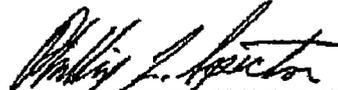
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If you require any further information regarding these matters, please contact either of the undersigned.

Sincerely,



Raymond Svider
President
Serafina Holdings Limited



Phillip L. Spector
Executive Vice President
and General Counsel
Intelsat Holdings, Ltd.

cc: John Connors
National Security Division
Department of Justice

Joseph E. Springsteen
Criminal Division
Department of Justice

Jon D. Pifer
Office of General Counsel
Federal Bureau of Investigation

Lou W. Brenner, Jr.
Office of General Counsel
Department of Homeland Security

Hillary J. Morgan
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Richard S. Elliott
Paul, Weiss, Rifkind, Wharton & Garrison LLP
Counsel to Intelsat Holdings, Ltd.

**STATEMENT OF COMMISSIONER
MICHAEL J. COPPS, CONCURRING**

Re: *Intelsat Holdings, Ltd., Transferor, and Serafina Holdings Limited, Transferee Consolidated Application for Consent to Transfer Control of Holders of Title II and Title III Authorizations, IB Docket No. 07-181, Memorandum Opinion and Order*

Today's decision substitutes one group of private equity firms for another group of private equity firms as owners of the world's largest provider of fixed satellite services. While I have no reason to believe that this latest group of owners will operate the company with more or less concern for the public interest than the previous group, I concur in today's decision because the Commission still has not conducted a comprehensive investigation into the effects of private equity investment on Commission licensees.

We need to start looking at these important questions and we need to do so quickly. We simply cannot discharge our public interest responsibilities in a piecemeal fashion. It is high time to conduct a general analysis of how this significant change in our commercial-financial system affects the ability of the FCC to carry out its responsibilities and then apply these principles to every private equity transaction that comes before us.