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FILED/ACCEPTED

JUN 13 2008

Federal Communications Commission
Office of the Secretary

June 13, 2008

BY HAND DELIVERY

Accounting Authority Certification Officer
Financial Operations Division
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: AAIC Code US09
Ownership Change Notification**

Dear Sir or Madam:

Stratos Mobile Networks, Inc. ("Stratos Mobile") hereby submits an original and two copies of an Application for Certification as an Accounting Authority (FCC Form 44).

Stratos Mobile is currently designated as a U.S. Certified Accounting Authority (AAIC Code US09) in the Maritime Mobile and Maritime Mobile-Satellite Radio Services. See Notification of Approval as an Accounting Authority, DA 04-758 (rel. March 23, 2004). By this application, Stratos Mobile does not seek to assign, or otherwise encumber, its Accounting Authority, but rather, it simply seeks to update the ownership and control information for its Accounting Authority. See 47 C.F.R. § 3.51 ("The Commission must be advised in advance of any proposed transfer of control of an accounting authority's firm or organization by any means, to another entity."). As set forth in the application, control of Stratos Mobile's ultimate parent corporation, Stratos Global Corporation ("Stratos Global"), is changing from the Trustee Robert M. Franklin to Inmarsat plc.

Should you have any questions concerning the enclosed documents, please do not hesitate to contact me. In addition, enclosed please find an additional copy of these materials to be date-stamped and returned with our messenger.

Respectfully submitted,



Marc A. Paul

Counsel to Stratos Mobile Networks, Inc.

FEDERAL COMMUNICATIONS COMMISSION

APPLICATION FOR CERTIFICATION AS AN ACCOUNTING AUTHORITY

Approved by OMB
3080-0685
See page 3 for information
regarding public burden estimate.

FCC USE ONLY	
Approved: Yes <input type="checkbox"/>	Assigned AAIC [_ _ _ _]
No <input type="checkbox"/>	Reason for Denial Attached

INSTRUCTIONS: This application is to be used to apply to become an Accounting Authority in accordance with Part 3 of the Commission's rules. Complete all items and mail the original and two copies of your application, together with a copy of any applicable Articles of Incorporation and/or Bylaws, to the following address:

ACCOUNTING AUTHORITY CERTIFICATION OFFICER
FINANCIAL OPERATIONS DIVISION, STOP 1110A
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

Please allow up to six weeks to process your application. (NO FEE REQUIRED)
Failure to respond to all items may result in your application being returned without action. Please review the application carefully and ensure that the application is signed by the appropriate official(s) and that all required information is provided.

Name of Applicant - Individual: (Last, First, MI)

Names of Applicants - (Partnership):

Name of Applicant - (Corporation):

Stratos Mobile Networks, Inc.

Are you currently an Accounting Authority? Yes No

If yes, show your current AAIC here: [_ _ _ _]

BUSINESS ADDRESS:		ADDRESS WHERE SETTLEMENTS WILL ACTUALLY BE PROCESSED:	
STREET ADDRESS: 6550 Rock Spring Drive, Suite 650		STREET ADDRESS: 6550 Rock Spring Drive, Suite 650	
CITY: Bethesda		CITY: Bethesda	
STATE: Maryland	ZIP CODE: 20817	STATE: Maryland	ZIP CODE: 20817
COUNTRY: U.S.A.		COUNTRY: U.S.A.	
NORMAL BUSINESS HOURS: 9:00 am - 5:00 pm		TELEPHONE NUMBER (include area code): 301-214-8800	

APPLICANT ANTI-DRUG CERTIFICATION: By checking "YES", the applicant certifies that, in the case of an individual applicant, he or she is not subject to denial of federal benefits, that includes FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. 862, or, in the case of a non-individual applicant (e.g., corporation, partnership, or other unincorporated association), no party to the applicant is subject to a denial of federal benefits, that includes FCC benefits, pursuant to that section. For the definition of "party" for these purposes, see 47 CFR 1.2002(b). Yes No

Willful false statements made on this form can be cause for denial, suspension or cancellation of Accounting Authority Certification and are punishable by fine and/or imprisonment, U.S. Code, Title 18, Section 1001, AND/OR REVOCATION OF STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

Qualifications: *(Use additional sheets if necessary):*

Detail any prior relevant qualifying experience as well as how you plan to conduct settlements. Your statement should provide sufficient information for the Commission to determine if you are qualified to perform settlements.

See Attachment A

Will you be settling accounts for U.S. licensed vessels? Yes No

Structure of Company or Corporation *(Use additional sheets if necessary):*

Please provide a brief summary describing the structure of your settlement operation as it relates to your overall company or corporate structure. Provide a copy of your Articles of Incorporation and/or Bylaws.

See Attachment B

PROJECTED STAFFING:
(Settlement Function Only)

Number of Full-Time Employees: 1

Number of Part-Time Employees:

Evidence of Financial Responsibility: All applicants who intend to settle accounts for U.S. licensed ship stations must provide evidence of their financial responsibility. Data to support your claim may consist of a formal financial statement or other documentation that proves all assets, liabilities, income and expenses.

Type of evidence provided:

Consolidated Financial Statements of Stratos Global Corp.

See Attachment C

Projected Dollar Amount of Settlements to be Paid to Foreign Administrations on Behalf of U.S.

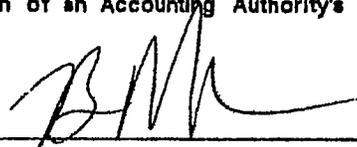
Licensed Vessels During the Remainder of the Current Calendar Year:

\$ 37,895.14

By virtue of my signature below, I hereby make application of the Federal Communications Commission to become an Accounting Authority. I have responded to all items on this application honestly and completely. I understand that should I be approved to be an Accounting Authority, I must adhere to all applicable FCC policies and rules, the International Telecommunications Regulations (ITR), and other rules, regulations, agreements, and where applicable, ITU-T Recommendations, (47 CFR 3.43 of the Commission rules). I also acknowledge that I will submit to the FCC all required information reports in a timely manner and that I will meet all financial responsibility requirements. I agree to cooperate with the FCC on any matter and agree to be audited when deemed appropriate by the FCC. I further acknowledge that I may not trade, resign, sell or otherwise transfer my authority to act as an Accounting Authority without the express approval of the FCC and that I may not be assigned more than one Accounting Authority Identification Code. I agree to maintain my processing operation within the United States unless I am an existing foreign Accounting Authority applying to settle accounts of U.S. licensed vessels. Should I cease to function as an Accounting Authority, I agree to notify the FCC immediately. I agree to maintain acceptable complaint resolution procedures and to notify the FCC immediately should I receive notice of any refusal of a foreign administration/facility to handle legitimate telecommunications between U.S. licensed vessels and the foreign entity.

I acknowledge that I am familiar with FCC Rule Part 3 concerning sanctions and grounds for forfeiture or suspension or cancellation of an Accounting Authority's certification.

Signed and Dated this Day:



Date:

June 13, 2008

Date:

Date:

FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

Part 3 of the Commission's Rules authorized the FCC to request the information on this application. The purpose of the information is to determine your eligibility for certification as an Accounting Authority. The information will be used by FCC staff to evaluate the application, to provide information for enforcement and rulemaking proceedings and to maintain a current inventory of Accounting Authorities. No authorization can be granted unless all information requested is provided. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available to the public. Your response is required to obtain the requested authorization.

Public reporting burden for this collection of information is estimated to average three hours per response, including the time for reviewing instructions, searching data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Federal Communications Commission, Records Management Branch, AMO-IM, Washington, DC 20554, Paperwork Reduction Project (3060-0585).

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, P.L. 93-579, DECEMBER 31, 1974, 5 U.S.C. 552(a)(3) AND THE PAPERWORK REDUCTION ACT OF 1980, P.L. 96-511, DECEMBER 11, 1980, 44 U.S.C. 3507.

Information requested on, or in connection with this form will be available for inspection by the public.

NOTE: In addition to the information required by this form, the Commission will request any additional information which may be necessary for consideration of this application.

ATTACHMENT A

ATTACHMENT A

Stratos Mobile Networks, Inc. FCC Form 44

Qualifications

Stratos Mobile Networks, Inc. ("Stratos Mobile") is currently designated as a U.S. Certified Accounting Authority (AAIC Code US09) in the Maritime Mobile and Maritime Mobile-Satellite Radio Services. *See Notification of Approval as an Accounting Authority, DA 04-758 (rel. March 23, 2004).*

By this application, Stratos Mobile does not seek to assign, or otherwise encumber, its Accounting Authority, but rather, it simply seeks to update the ownership and control information for its Accounting Authority. *See 47 C.F.R. § 3.51 ("The Commission must be advised in advance of any proposed transfer of control of an accounting authority's firm or organization by any means, to another entity.")*. As set forth in the attached Narrative, the control of Stratos Mobile's ultimate parent corporation, Stratos Global Corporation ("Stratos Global"), is changing from the Trustee Robert M. Franklin to Inmarsat plc, a company formed under the laws of England and Wales. This corporate change to Stratos Mobile's ultimate parent corporation will have no impact on the day-to-day Accounting Authority functions currently performed by Stratos Mobile.

Attached as Attachment B to this Application are charts depicting Stratos Mobile's current and post-transaction ownership and control. In connection with the transaction described above and in the attached Narrative, additional transfer of control applications have been filed with the Commission for the FCC licenses held by the Stratos subsidiaries. Additional detail on the transaction is set forth in these applications, which are incorporated herein by reference.

Stratos Mobile, together with the other Stratos affiliates, currently provides international maritime satellite services as well as other mobile satellite services and international basic switched and private line services, to various international points on both facilities and resale bases. As such, Stratos Mobile has considerable experience in maintaining the accounts associated with the provision of the services rendered by a U.S. Certified Accounting Authority, as it has done so now for several years.

Stratos Mobile does not currently expect to change how it administers its Accounting Authority function as a result of the transaction set forth above and in the attached Narrative. Stratos Mobile plans to continue to perform all settlement operations for U.S. licensed vessels through its office in Bethesda, Maryland (USA). By its signature to this application, and in accordance with the Commission's Rules, Stratos Mobile states that it will not be ceasing its operations as an Accounting Authority as a result of the transaction and it hereby continues to accept and process all accounts (as set forth in the attached account inventory) currently being administered under AAIC Code US09.

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

In the matter of)
)
Robert M. Franklin, Transferor)
)
and)
)
Inmarsat plc, Transferee)
)
Consolidated Application for Consent to Transfer)
Control)

NARRATIVE

Robert M. Franklin, as trustee of an irrevocable trust, and Inmarsat plc ("Inmarsat") seek Commission consent to the indirect transfer of control, from Mr. Franklin to Inmarsat, of Stratos Global Corporation ("Stratos Global") and its subsidiaries that hold FCC authorizations (the "Stratos Licensees" and together with Stratos Global, "Stratos"). The applicants concurrently are submitting the following applications requesting Commission consent to the proposed transaction:

- Four FCC Forms 312 related to various earth station authorizations;
- Two applications related to various international Section 214 authorizations;
- Two applications related to domestic Section 214 authority;
- One FCC Form 603 related to various terrestrial radio authorizations; and
- One FCC Form 44 related to an accounting authority authorization.

I. DESCRIPTION OF THE TRANSACTION

A. Parties to the Transaction

1. Stratos and Related Parties

Stratos provides mobile satellite service ("MSS"), fixed satellite service ("FSS") and terrestrial communications solutions to its customers using, among other things, capacity that it purchases from various satellite operators. With regard to MSS, Stratos currently resells the capacity of various satellite operators, including Globalstar, Inmarsat, Iridium and MSV. Stratos holds Commission licenses for Inmarsat mobile earth terminals, but does not own or operate any MSS gateway earth stations in the United States.¹ Stratos' very small aperture terminal ("VSAT") services employ satellite capacity resold from a number of operators of FSS systems, including Intelsat and SES, and utilize VSAT hubs located in the United States and licensed to Stratos.² In addition, Stratos operates a terrestrial microwave network in the U.S. Gulf of Mexico, over which it serves primarily the offshore rigs and platforms of oil and gas companies. Stratos also provides competitive local exchange, competitive access, and interexchange telecommunications services in Louisiana and Texas primarily to its oil and gas industry customers. As a final matter, Stratos is authorized as an accounting authority under Part 3 of the Commission's rules.

Three of the Stratos Licensees, Stratos Offshore Services Company ("Stratos Offshore"), Stratos Communications Inc. ("Stratos Communications"), and Stratos Mobile Networks, Inc. ("Stratos Mobile") (all Delaware corporations), are wholly-owned subsidiaries of a fourth Stratos Licensee, Stratos Holdings, Inc. ("Stratos Holdings") (also a Delaware

¹ Stratos owns MSS gateway earth stations in Australia, Canada, the Netherlands and New Zealand.

² Stratos also owns VSAT hubs in Germany, Russia and the United Kingdom.

corporation). Stratos Holdings is a wholly-owned subsidiary of Stratos Wireless Inc. ("Stratos Wireless") (a Canadian corporation), which, in turn, is a wholly-owned subsidiary of Stratos Global (also a Canadian corporation). Stratos Global's corporate headquarters and principal place of business are in Bethesda, MD.

Pursuant to the Commission's *Stratos-Trust Order*, a trust formed under the laws of Canada (the "Trust") holds 100 percent of Stratos Global's shares and voting power.³ Mr. Franklin, a Canadian citizen, is trustee of the Trust.

The Trust's beneficiary is CIP Canada Investment Inc. ("CIP Canada") (a Canadian corporation), a wholly-owned subsidiary of CIP UK Holdings Limited ("CIP UK") (a private limited company formed under the laws of England and Wales), which, in turn, is wholly owned by Communications Investment Partners Limited ("CIP") (a limited partnership organized under the laws of the British Virgin Islands). CIP is a professional investment company.

Appendix A depicts the current ownership and control of the Stratos Licensees.

2. Inmarsat

Inmarsat Finance III Limited ("Inmarsat Finance"), a company formed under the laws of England and Wales, was established by its direct parent company, Inmarsat, to provide debt financing to CIP UK to fund the 2007 acquisition of Stratos Global's shares by the Trust. Inmarsat Finance holds an option to acquire all of the shares of CIP UK from CIP.

Inmarsat was created by the Inmarsat Convention in the 1970s as an inter-governmental organization ("IGO") to develop a global maritime satellite system to meet the

³ *Stratos Global Corporation, Transferor; Robert M. Franklin, Transferee; Consolidated Application for Consent to Transfer of Control*, 22 FCC Rcd 21328, 21342-43, ¶¶ 34-36 (2007) ("*Stratos-Trust Order*").

commercial maritime and safety communications needs of the United States and other countries.⁴ Inmarsat privatized in 1999, becoming a UK private company, headquartered in London. In 2005, Inmarsat became a public company, listed on the London Stock Exchange.

Today, Inmarsat provides innovative MSS services around the world on one of the most advanced commercial mobile communications satellite systems now in orbit, and faces vibrant competition from a wide range of other providers of satellite services. Examples of the users who rely on Inmarsat services for their critical communications needs include: the U.S. military, the Department of Homeland Security (including the Federal Emergency Management Agency (FEMA) and the Coast Guard), U.S. Executive Branch and Congressional officials, the New York City Fire Department, CNN, ABC, CBS, National Public Radio, the Red Cross, and nearly every major airline and shipping line throughout the world.

Because Inmarsat is publicly traded on the London Stock Exchange, shareholdings in Inmarsat fluctuate over time. Inmarsat has been informed that the entities listed in Appendix B currently are its 10 percent or greater shareholders.

B. Details of the Transaction

In December 2007, the Commission authorized the transfer of control of Stratos to the Trust, of which Mr. Franklin is the trustee and CIP Canada is the beneficiary.⁵ The Trust holds the shares of Stratos Global for the benefit of CIP Canada, and Mr. Franklin exercises the voting power represented by the Stratos Global shares.

As noted above, Inmarsat's subsidiary, Inmarsat Finance, holds an option to acquire the shares of CIP UK. Inmarsat Finance has decided to exercise its option and intends to

⁴ See *Comsat Corporation d/b/a Comsat Mobile Communications, et al.*, 16 FCC Rcd 21661, 21669, ¶ 3 (2001).

⁵ See *Stratos-Trust Order*, 22 FCC Rcd at 21328, ¶ 1.

consummate the proposed transaction on or shortly after April 15, 2009, subject to receiving necessary regulatory approvals, customary due diligence confirmations and board approvals.⁶ At that time, the Trust will terminate, CIP Canada will become the holder of the shares (and the associated voting power) of Stratos Global, and Inmarsat will indirectly own and control CIP UK, CIP Canada and Stratos.⁷ Thus, this proposed transaction will effectuate an indirect transfer of control of Stratos to Inmarsat. As detailed below, Commission grant of the proposed transaction will serve the public interest because it will enable Inmarsat to improve the efficiency of its MSS distribution structure by integrating Stratos into the Inmarsat family of companies, while still maintaining Inmarsat's current practice of providing service through a variety of distribution partners. This enhancement in Inmarsat's ability to serve the needs of its users will inure to the benefit of Inmarsat users in the United States and throughout the world.

Appendix C depicts the proposed post-transaction ownership and control of the Stratos Licensees.⁸

⁶ The Call Option Agreement between Inmarsat Finance and CIP was filed with the Commission in the docket of the proceeding authorizing the transfer of control of Stratos to the Trust. See WC Docket No. 07-73.

⁷ The use of the Trust ensures compliance with contractual restrictions of another Inmarsat subsidiary, Inmarsat Global Ltd. ("Inmarsat Global"), which prevent Inmarsat Global from owning or controlling Stratos or any other distributor of Inmarsat services until April 15, 2009. This application is being submitted in advance of the expiration of Inmarsat Global's contractual restrictions to allow adequate time to process this application and to facilitate consummation of the proposed transaction on or shortly after that date.

⁸ Inmarsat Finance has the ability to assign its right to acquire the CIP UK shares to another Inmarsat subsidiary. If it decides to do so, the applicants will file a minor amendment to this application to reflect any such *pro forma* change to the transaction structure.

II. GRANT OF THE PROPOSED TRANSACTION WILL SERVE THE PUBLIC INTEREST

Pursuant to Section 310(d) of the Communications Act of 1934, as amended (the "Act"), the Commission will approve a proposed transfer of control if, after balancing "the potential public interest harms [of the transaction] against the potential public interest benefits," it concludes that doing so would serve the public interest, convenience, and necessity.⁹ Accordingly, where the potential harms (if any) are small or limited, the potential benefits need be only of a similar scale.¹⁰ As discussed below, the proposed transfer of control of Stratos to Inmarsat will provide public interest benefits with no offsetting public interest harms. The Commission therefore should grant this Application, and should do so expeditiously.

A. Allowing Inmarsat to Acquire the Established Stratos Distribution Network Will Serve the Public Interest

The proposed transaction will serve the public interest by allowing the vertical integration of Inmarsat and Stratos. Today, Inmarsat is entirely reliant on third parties, such as Stratos, to distribute its MSS services.¹¹ By acquiring control of Stratos and its mature

⁹ See, e.g., *Loral Satellite, Inc. (Debtor-in-Possession) and Loral SpaceCom Corporation (Debtor in Possession), Assignors, and Intelsat North America, LLC, Assignee*, 19 FCC Rcd 2404, 2411-2412, ¶ 18 (2004); *Comcast Corporation, AT&T Corp., and AT&T Comcast Corporation*, 17 FCC Rcd. 23246, 23255, ¶ 26 (2002) ("*AT&T/Comcast*"); *Time Warner Inc. and America Online, Inc.*, 16 FCC Rcd 6547, 6554, ¶ 19 (2001).

¹⁰ See, e.g., *AT&T/Comcast*, 17 FCC Rcd at 23329, ¶ 218 (observing that "in balancing the public interest harms and benefits, we employ a sliding scale approach" that "examine[s] the likelihood and the magnitude of the potential public interest harms"); *TRW Inc.*, 17 FCC Rcd 24625, 24630, ¶ 15 (2002) ("[W]e find no public interest harms, and thus, the Applicants' demonstration of potential benefits need not be as great.").

¹¹ As noted above, Inmarsat's subsidiary, Inmarsat Global, is contractually restricted from selling Inmarsat services directly to end-users, or from owning or controlling Stratos or any other distributor of its services. Those restrictions, which date back to Inmarsat's origins as an IGO, expire on April 14, 2009.

distribution network, Inmarsat will be able to immediately incorporate into its business the same type of distribution channel that is available to every other satellite operator.

As an initial matter, the Commission has recently confirmed that Inmarsat operates in a vibrantly competitive environment.¹² Other MSS providers in the United States include Iridium, Globalstar, MSV, and ICO (which launched its MSS spacecraft in April 2008). TerreStar is required to launch its MSS spacecraft by October 2008. Moreover, the FSS industry increasingly provides “mobile” services, as spectrum deregulation and advances in antenna technology allow FSS providers to provide many of the services that once were the exclusive domain of MSS providers—service to ships, airplanes and vehicles.¹³ Accordingly, as the Commission has recognized, the “markets for commercial communications satellite services are subject to effective competition.”¹⁴

The proposed transfer of control of Stratos to Inmarsat is pro-competitive. Vertical transactions such as this one present the ability to provide goods and services more efficiently to the consumer by streamlining the process by which those goods and services get to market. As the Commission has recognized, vertical transactions allow for two specific efficiencies: (i) elimination of transaction costs as the integrated firm more efficiently distributes its goods and services; and (ii) elimination of double marginalization as the vertically integrated

¹² *Stratos-Trust Order*, 22 FCC Rcd at 21355-56, ¶¶ 63-64 & n.197 (quoting *Annual Report and Analysis of Competitive Market Conditions with Respect to Domestic and International Satellite Communications Services*, 22 FCC Rcd 5954, 6011, ¶ 188 (2007) (“*Satellite Competition Report*”)).

¹³ See, e.g., *The Boeing Company*, 16 FCC Rcd 22645 (2001); *Service Rules and Procedures to Govern the Use of Aeronautical Mobile Satellite Service Earth Stations in Frequency Bands Allocated to the Fixed Satellite Service*, Notice of Proposed Rulemaking, 20 FCC Rcd 2906 (2005).

¹⁴ *Stratos-Trust Order*, 22 FCC Rcd at 21356, ¶ 64 & n.197 (quoting *Satellite Competition Report*, 22 FCC Rcd at 6011, ¶ 188).

business can better maximize profits without the margin currently being realized at both levels of the distribution chain.¹⁵

The Commission recognized these general principles in approving the transfer of control of Stratos to the Trust, when it considered the possibility that Inmarsat eventually might control Stratos. Specifically, the Commission found that, by acquiring Stratos, "Inmarsat would be able to offer both wholesale and retail satellite services to its customers, and realize the recognized economic efficiencies that vertical integration can offer."¹⁶ The Commission further found: "Such a change in business organization could improve coordination between the deployment and assignment of satellite capacity and the sales and marketing of retail satellite services."¹⁷

Significantly, the Commission already has found that the potential vertical integration of Inmarsat and Stratos would pose no countervailing competitive harms:

[W]e fail to see how this will reduce competition. Because Stratos Global is not the only distributor of satellite services, other mobile satellite operators will still have a choice of other distributors should Stratos Global choose to favor Inmarsat.¹⁸

These conclusions are just as valid today. MSS operators such as Iridium, MSV and Globalstar continue to distribute their services through a number of other distribution partners, through service providers, and by selling their services directly to consumers. The FSS industry operates

¹⁵ See, e.g., *SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, 20 FCC Rcd 18290, 18387-88, ¶¶ 190-192 (2005) (vertical integration "may produce a more efficient organizational form, which can reduce transaction costs, limit free-riding by internalizing incentives, and take advantage of technological economies" and may "reduce prices in the downstream market" due to the "elimination of 'double marginalization'").

¹⁶ *Stratos-Trust Order*, 22 FCC Rcd at 21355, ¶ 62.

¹⁷ *Id.*

¹⁸ *Id.* at 21354-55, ¶ 61.

in the same manner. Inmarsat intends to integrate Stratos into the Inmarsat family of companies, while continuing to utilize Inmarsat's existing network of third party distributors. Thus, Inmarsat's proposed acquisition of the established Stratos distribution network will simply facilitate Inmarsat's ability to compete with all other satellite operators, using all of the same methods of distribution as they currently employ, thus enhancing industry competition and benefiting Inmarsat users.

For these reasons, the proposed transfer of control of Stratos would be pro-competitive, benefit users of Inmarsat services, and thus serve the public interest, convenience and necessity.

B. Other Considerations

1. The Proposed Transaction is Consistent with the Act and Commission Policy

Two of the Stratos Licensees, Stratos Offshore and Stratos Communications, hold common carrier earth station and terrestrial wireless licenses, to which the foreign ownership provisions of Section 310(b) of the Act apply. Stratos Holdings and Stratos Offshore hold international Section 214 authority. Pursuant to Section 63.21(h) of the Commission's Rules, 47 C.F.R. § 63.21(h), Stratos Communications, Stratos Mobile Networks and Stratos Government Services, Inc. operate pursuant to the international Section 214 authority held by Stratos Holdings.¹⁹ Stratos Offshore and Stratos Communications also provide domestic telecommunications services pursuant to Section 214 of the Act. The Commission previously has reviewed Stratos Wireless, Stratos Global, CIP Canada, CIP UK, and Inmarsat Finance, as well as Inmarsat and its shareholders, for foreign ownership purposes, and has authorized 100

¹⁹ See International Authorizations Granted, DA 08-477 at 2 (Feb. 28, 2008); Section 63.21(h) Letter from Counsel for Stratos to Secretary, FCC (filed Jan. 30, 2008).

percent non-U.S. ownership of Stratos.²⁰ The Commission also indicated that, if Inmarsat Finance exercised its option to acquire control of Stratos, the Commission would review Inmarsat's ownership again.²¹

As is detailed in Appendix D, each of the proposed direct and indirect non-U.S. shareholders of the Stratos Licensees, up to and including Inmarsat, is organized under the laws of Canada, or of England and Wales. Inmarsat is a widely-held public company, listed on the London Stock Exchange. At least approximately 89 percent of the equity ownership of Inmarsat is held, and approximately 88 percent of the voting power of the Inmarsat shares is controlled, by individuals whose principal place of business or citizenship is the United States or another WTO-member country. Because Inmarsat is over 75 percent owned (measured either by equity or voting interests) by entities with principal places of business in, and individuals who are citizens of, WTO-member countries, there is a strong presumption that Inmarsat's control of Stratos would serve the public interest.²² Indeed, the aggregate ownership of Inmarsat by WTO-based companies and individuals today is substantially similar to the ownership that the Commission previously found to be in the public interest.²³ For these reasons, the Commission should again find that up to 100 percent non-U.S. ownership of Stratos is consistent with the public interest.

2. The Transaction Raises No National Security or Law Enforcement Concerns

U.S. Executive Branch agencies previously have consented to up to 100 percent non-U.S. ownership of Stratos, and both Stratos and Inmarsat have a long history of cooperating

²⁰ *Stratos-Trust Order*, 22 FCC Rcd at 21370, ¶ 101.

²¹ *Id.* at 21370-71, ¶ 102.

²² *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23891 (1997) ("*Foreign Participation Order*").

²³ *Stratos-Trust Order*, 22 FCC Rcd at 21367-70, ¶¶ 95-100.

with the U.S. government on issues of national security. Stratos and Inmarsat will continue to cooperate with the U.S. Executive Branch in the conduct of their respective businesses, and they intend to initiate discussions shortly with national security and law enforcement agencies with respect to the proposed transaction.

3. There are No International Dominant Carrier Issues

The Stratos Licensees are currently considered non-dominant under Section 63.10 of the Commission's rules²⁴ and nothing in the proposed transaction would change that characterization. The Stratos Licensees currently are affiliated with six foreign carriers, but none of the Stratos Licensees' affiliates has a 50 percent or greater share of the market for international transport or local access in any country in which it operates. Moreover, the proposed transaction will not result in the Stratos Licensees acquiring any additional foreign carrier affiliations. Thus, the Commission should continue to find the Stratos Licensees to be non-dominant. (The applicants' responses to Questions 14 through 18 in their Section 214 transfer of control applications address these matters in greater detail.)

4. Stratos Will Remain Qualified as an Accounting Authority

Stratos Mobile holds a certification as an accounting authority currently administered under AAIC Code US09. Pursuant to Section 3.51 of the Commission's rules, Stratos Mobile is submitting an FCC Form 44 Application for Certification as an Accounting Authority, seeking Commission consent to Stratos Mobile's new indirect ownership. In its FCC Form 44 application, Stratos Mobile demonstrates that it will continue to have the legal and financial qualifications to serve as an accounting authority, and that Stratos Mobile's continued authorization as an accounting authority under new ownership would serve the public interest.

²⁴ *Id.* at 21371, ¶ 106.

III. PROCEDURAL MATTERS

Stratos has various license applications pending before the Commission, which may be granted while the proposed transaction is being considered and before it is consummated (the "Interim Period"). Consistent with Commission precedent, the parties request that the grant of this Application include authority with respect to all (i) authorizations issued to Stratos or any of its subsidiaries during the Interim Period; (ii) construction permits held by such companies that mature into licenses during the Interim Period; and (iii) applications that are pending at the time of consummation of the proposed transaction.²⁵

The applicants anticipate consummating the proposed transaction in April 2009, after the contractual restrictions expire that prohibit Inmarsat Global from owning or controlling Stratos. The applicants therefore respectfully request that any grant of authority allow the parties the opportunity to consummate the transaction on or shortly after April 15, 2009.²⁶

²⁵ See, e.g., *id.* at 21371-72, ¶ 107; *General Motors Corporation and Hughes Corporation, Transferors, and The News Corporation Limited, Transferee*, 19 FCC Rcd 6309, 6311-6312, ¶ 6 (2004); *Time Warner Inc. and America Online, Inc.*, 16 FCC Rcd 6547, 6678, ¶ 317 (2001).

²⁶ Commission rules generally allow 180 days to consummate transactions involving terrestrial wireless licenses, 47 C.F.R. § 1.948(d), but provide only 60 days to consummate transactions involving earth station applications, *id.* § 25.119(f). The vast majority of the licenses held by the Stratos Licensees are terrestrial wireless licenses subject to the 180-day timeframe. If the Commission consents to the proposed transaction more than 60 days before April 30, 2009, the Applicants request that the Commission consolidate the timeframe for closing with respect to all of the Stratos Licensees' various authorization types, and provide the applicants up to 180 days from the date of consent to consummate the transaction. See *Sirius Satellite Radio Inc.*, 18 FCC Rcd 215 (2003) (prospectively extending the timeframe for consummating a transfer of control with respect to certain authorizations in light of the expected closing date).

The applicants respectfully request that the Commission designate this proceeding as “permit-but-disclose” under the Commission’s rules regarding *ex parte* communications.²⁷ Designating this transaction as a “permit-but-disclose” proceeding will serve the public interest by facilitating the development of a complete record upon which a well-reasoned decision can be made, just as the Commission did during consideration of the transfer of control of Stratos to the Trust.²⁸

* * * * *

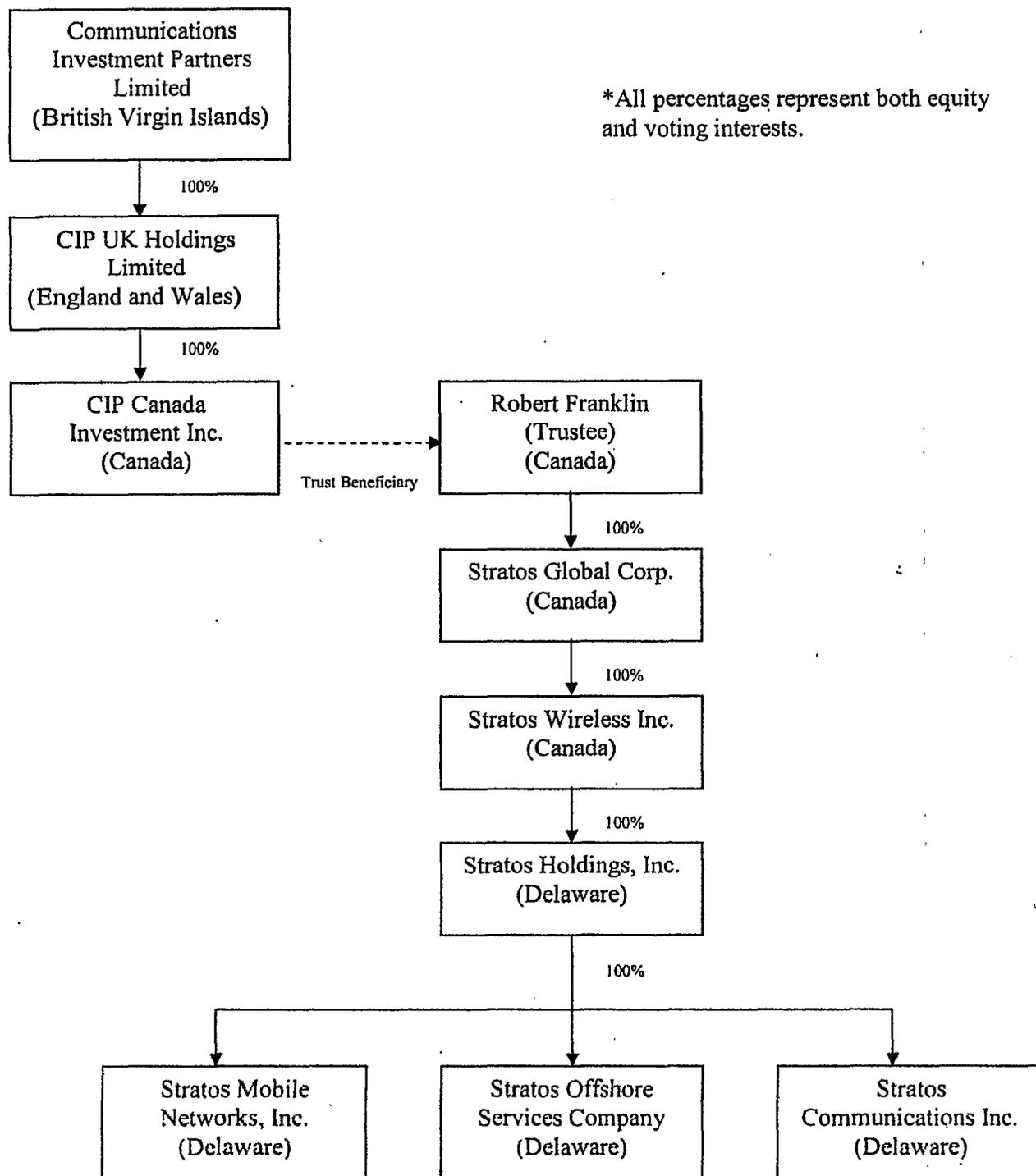
For the foregoing reasons, the applicants respectfully request that the Commission expeditiously approve the indirect transfer of control of Stratos from the Trust to Inmarsat.

²⁷ 47 C.F.R. § 1.1200, *et seq.*

²⁸ Public Notice, *Stratos Global Corp. and Robert M. Franklin, Trustee*, WC Docket No. 07-73, DA 07-2257 (rel. May 30, 2007).

APPENDIX A

CURRENT OWNERSHIP AND CONTROL OF THE STRATOS LICENSEES



APPENDIX B

INMARSAT PLC'S 10 PERCENT OR GREATER SHAREHOLDERS

Name, address, citizenship, principal place of business, and percentage held, directly or indirectly, of Inmarsat plc (to the nearest percent)

Harbinger Capital Partners Master Fund I, Ltd.

Address: c/o International Fund Services (Ireland) Limited, Third Floor,
Bishop's Square, Redmond's Hill, Dublin 2, Ireland
Citizenship: Cayman Islands
Principal Places of Business: United States, Ireland, the United Kingdom
Shareholdings in Inmarsat plc: 20 percent¹

Harbert Fund Advisors, Inc.

Address: 2100 Third Avenue North, Suite 600, Birmingham, AL 35203
Citizenship: Alabama
Principal Place of Business: United States
Shareholdings in Inmarsat plc: 29 percent (aggregate interest as investment advisor to entities that serve as investment managers to two funds: Harbinger Capital Partners Master Fund I, Ltd. (20 percent) and Harbinger Capital Partners Special Situations Fund, L.P. (9 percent)²

Lansdowne Partners Limited

Address: 15 Davies Street, London W1K 3AG, United Kingdom
Citizenship: England and Wales
Principal Place of Business: United Kingdom
Shareholdings in Inmarsat plc: 11 percent (aggregate voting power held through management of various Lansdowne investment funds)

Lehman Brothers (International) Europe

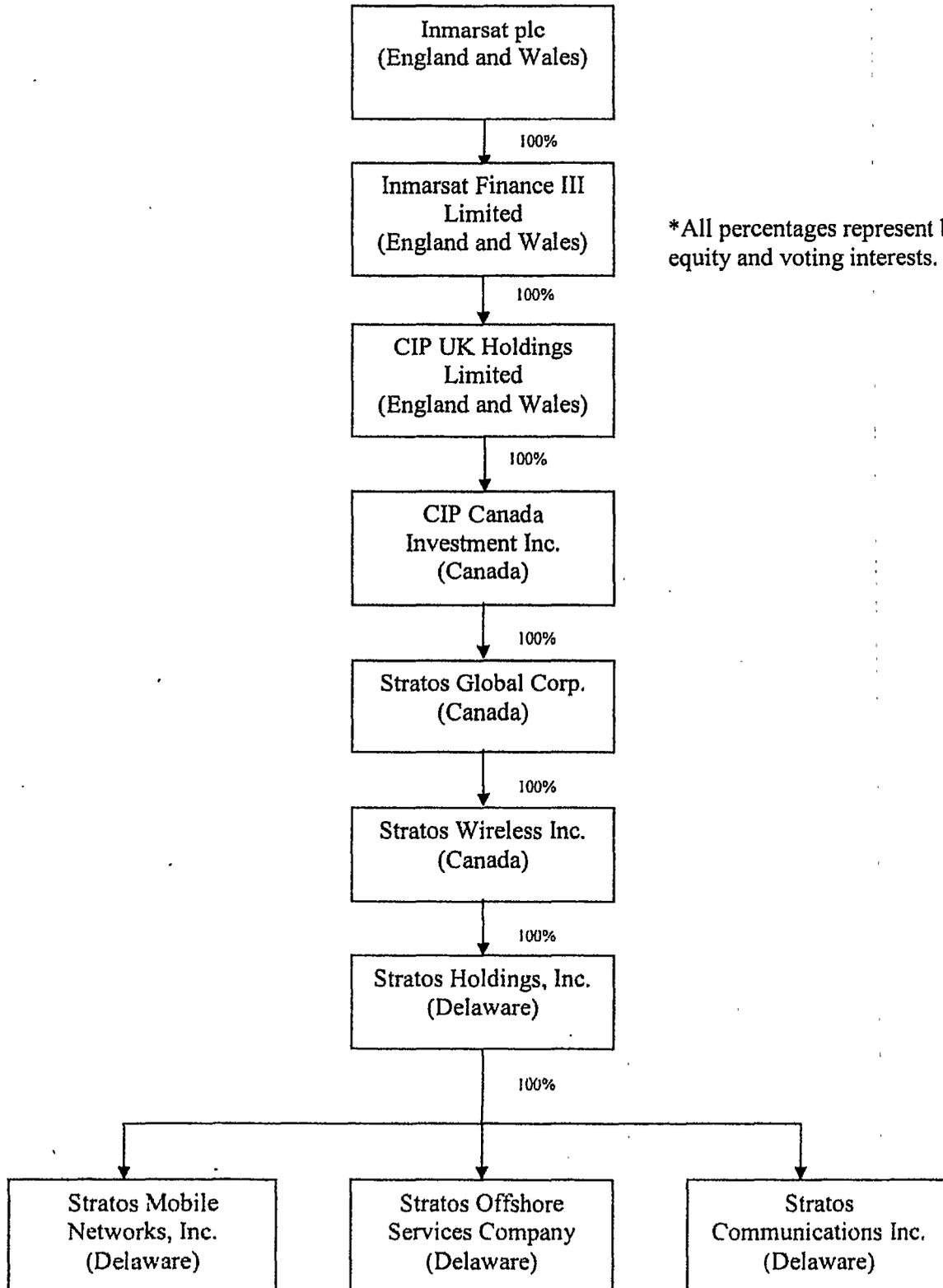
Address: 25 Bank Street, London E14 5LE, United Kingdom
Citizenship: England and Wales
Principal Place of Business: United Kingdom
Shareholdings in Inmarsat plc: 11 percent

¹ The ownership and control of Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P. are matters of public record. *See Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P., Petition for Declaratory Ruling Under Section 310(b) of the Communications Act of 1934, as amended*, File No. ISP-PDR-20080129-00002 (filed Jan. 29, 2008); *Mobile Satellite Ventures Subsidiary LLC and SkyTerra Communications, Inc.*, File Nos. ISP-PDR-20070314-00004; ISP-PDR-20080111-00001, FCC 08-77 (rel. Mar. 7, 2008).

² *Id.*

APPENDIX C

POST-TRANSACTION OWNERSHIP AND CONTROL OF THE STRATOS LICENSEES



APPENDIX D

PETITION FOR DECLARATORY RULING

The applicants respectfully request a declaratory ruling that it would serve the public interest to allow up to 100 percent indirect non-U.S. ownership of the subsidiaries of Stratos Global Corporation ("Stratos Global") that hold Commission authorizations (the "Stratos Licensees," and together with Stratos Global, "Stratos").¹

Stratos Offshore Services Company ("Stratos Offshore") and Stratos Communications Inc. ("Stratos Communications") hold common carrier earth station and terrestrial wireless licenses, to which the foreign ownership provisions of Section 310(b) of the Communications Act of 1934, as amended (the "Act") apply. Stratos Holdings, Inc. ("Stratos Holdings") and Stratos Offshore hold international Section 214 authority. Pursuant to Section 63.21(h) of the Commission's Rules, 47 C.F.R. § 63.21(h), Stratos Communications, Stratos Mobile Networks and Stratos Government Services, Inc. operate pursuant to the international Section 214 authority held by Stratos Holdings.² Stratos Offshore and Stratos Communications also provide domestic telecommunications services pursuant to Section 214 of the Act. In its recent order approving the transfer of control of Stratos to an irrevocable trust of which Robert M. Franklin is the trustee (the "Trust"), the Commission approved up to 100 percent ownership of Stratos by each of the entities listed in Appendix C hereto, including Inmarsat plc and its

¹ The proposed post-transaction ownership and control of the Stratos Licensees is shown in Appendix C.

² See International Authorizations Granted, DA 08-477 at 2 (Feb. 28, 2008); Section 63.21(h) Letter from Counsel for Stratos to Secretary, FCC (filed Jan. 30, 2008).

shareholders.³ The Commission also indicated that, if Inmarsat Finance III Limited ("Inmarsat Finance") exercised its option to acquire CIP UK Holdings Limited ("CIP UK"), and thereby sought to indirectly acquire control of Stratos, the Commission would review Inmarsat plc's ownership again.⁴ Therefore, the applicants include this foreign ownership analysis and respectfully request that the Commission find the proposed foreign ownership of Stratos to be consistent with the public interest. The information provided is substantially similar in form and substance to the information provided and approved in the *Stratos-Trust Order*.⁵

Stratos Offshore and Stratos Communications are directly held by Stratos Holdings (a Delaware corporation), which is wholly owned by Stratos Wireless Inc. ("Stratos Wireless") (a Canadian corporation). Stratos Wireless is wholly owned by Stratos Global (also a Canadian corporation). Upon completion of the proposed transaction, CIP Canada Investment Inc. ("CIP Canada") (a Canadian corporation) will hold 100 percent of the Stratos Global shares. CIP Canada is wholly owned by CIP UK, which will become a wholly-owned subsidiary of Inmarsat Finance, which, in turn, is wholly owned by Inmarsat plc. Each of CIP UK, Inmarsat Finance, and Inmarsat plc is a company formed under the laws of England and Wales. Each of the entities in the organizational structure between the Stratos Licensees and up to and including Inmarsat plc will hold 100 percent of the equity and 100 percent of the voting interests of the entity below it. Moreover, as demonstrated below in the principal place of business analysis,

³ See *Stratos Global Corporation, Transferor; Robert M. Franklin, Transferee; Consolidated Application for Consent to Transfer of Control*, 22 FCC Rcd 21328, 21370, ¶ 101 (2007) ("*Stratos-Trust Order*").

⁴ *Id.* at 21370-71, ¶ 102.

⁵ See, e.g., Letter from Counsel for Inmarsat to Secretary, FCC, WC Docket No. 07-73 (filed Oct. 16, 2007).

each of the foregoing entities has its principal place of business in the United States, Canada or the United Kingdom.

Inmarsat plc is a widely-held public company, listed on the London Stock Exchange. As is demonstrated below, at least approximately 89 percent of the equity interests in Inmarsat plc is held, and approximately 88 percent of the voting power in Inmarsat plc is controlled, by individuals who are citizens of, or entities whose principal place of business is, the United States or another WTO-member country.

In its *Foreign Participation Order*,⁶ the Commission determined that it would promote competition in the United States and serve the public interest to allow indirect foreign investment beyond the 25 percent benchmark established by Section 310(b)(4) the Act. Since adopting the *Foreign Participation Order*, the Commission consistently has permitted non-U.S. individuals and entities to hold up to 100 percent of the equity and voting power in holders of FCC authorizations.⁷ In fact, in its order approving the transfer of control of Stratos to the Trust, the Commission permitted up to 100 percent foreign ownership of Stratos by Inmarsat plc and its shareholders, and by each of the intermediate entities that this application proposes to be in the ownership chain between Inmarsat plc and the Stratos Licensees.⁸

As detailed below, each of Stratos Holdings, Stratos Wireless, Stratos Global, CIP Canada, CIP UK, Inmarsat Finance, and Inmarsat plc has its principal place of business in the United States or another WTO-member country. Moreover, Inmarsat plc is over 75 percent

⁶ *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23891 (1997) ("*Foreign Participation Order*").

⁷ See, e.g., *Intelsat, Ltd., Transferor, and Zeus Holdings Ltd., Transferee*, 19 FCC Rcd 24820 (2004); *Applications of Comsat General Corporation*, 19 FCC Rcd 21216 (2004); *Voicestream Wireless Corporation*, 16 FCC Rcd 9779 (2001).

⁸ See *Stratos-Trust Order*, 22 FCC Rcd at 21370, ¶ 101.