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February 10, 2009

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Robert M. Franklin, Trustee, and Inmarsat plc Seek FCC Consent To
the Transfer of Control of Stratos Global Corporation and Its
Subsidiaries from an Irrevocable Trust To Inmarsat plc
IB Docket No. 08-143, DA 08-1659**

Dear Ms. Dortch:

On February 9, 2009 Diane Cornell and John Janka representing Inmarsat, and Richard Harris and Alfred Mamlet representing Stratos Global, met with Paul Murray, Acting Wireless and International Legal Advisor to Acting Chairman Copps to brief him on the above-captioned proceeding addressing the transfer of control of Stratos Global to Inmarsat, plc. The parties discussed the attached presentation. Please contact the undersigned should you have any questions.

Sincerely,

Diane J. Cornell
Vice President, Government Affairs

CC: Paul Murray
Enclosure

Transfer of Control of Stratos to Inmarsat

IB Docket No. 08-143, DA 08-1659

February 9, 2009

Background

- Inmarsat is a wholesaler of its own satellite services
- Stratos retails the services of Inmarsat and other satellite operators
- The January 2009 decision approved the second step of a two-step transaction by which Inmarsat will acquire Stratos

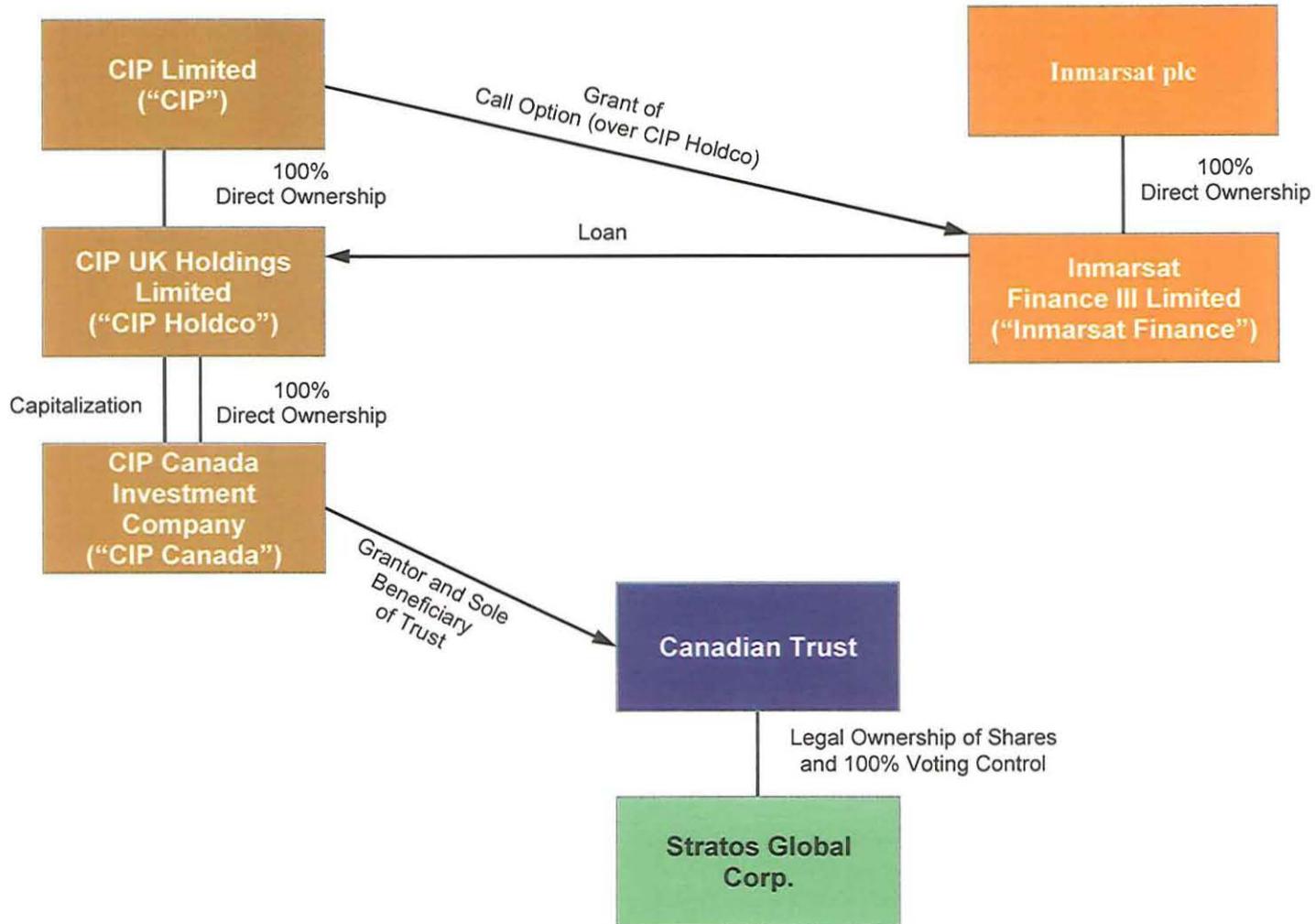
Inmarsat Distribution

- Historically, Inmarsat has been unable to use the same distribution structure as other satellite operators
 - Inmarsat has been contractually prohibited from
 - selling its services directly to end users
 - owning an Inmarsat distributor
 - Inmarsat has been required to wholesale to middlemen, who resell those same services to end users
- Those restrictions are a pre-privatization legacy
 - Once they sunset on April 14, 2009
 - Inmarsat may acquire control of Stratos
 - Inmarsat may distribute its services both directly and indirectly
- After April 14, 2009, Inmarsat will use a wide variety of distributors to best meet the needs of end users

Step One

- Step One closed in December 2007, after full Commission approval of a transaction in which
 - Inmarsat provided the financing
 - a trust acquired control of Stratos
 - the trust's grantor/beneficiary provided Inmarsat an option to acquire control of Stratos
 - Step One employed the trust for business, not regulatory, reasons
 - to ensure compliance with Inmarsat's contractual obligations
-

Step One



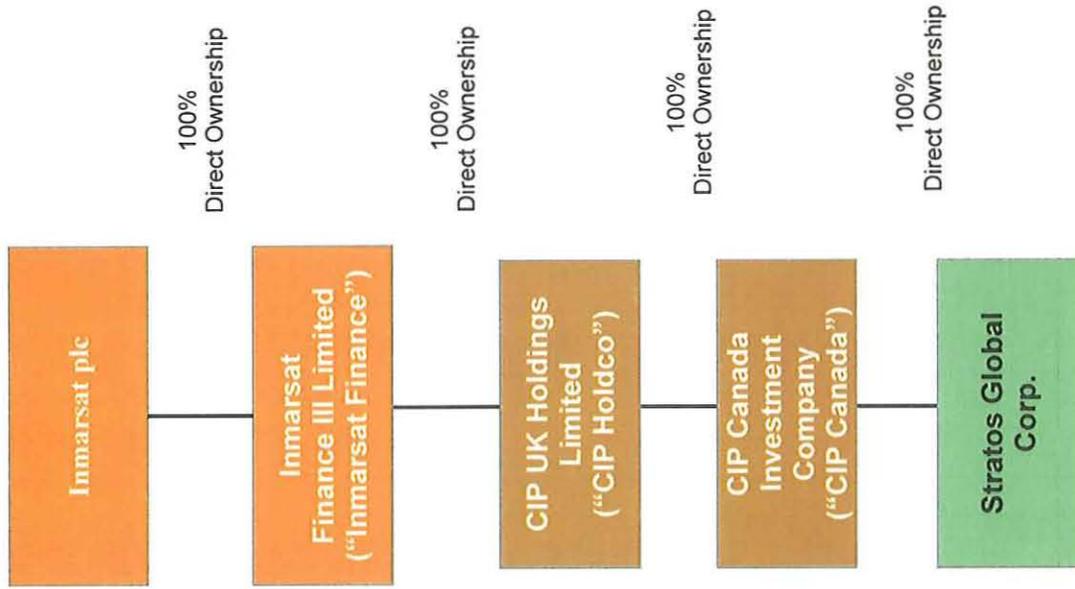
Full Commission's December 2007 Order

- Approved transfer of control to the trust
- Found that both Inmarsat (at the satellite operator level) and Stratos (at the distributor level) faced significant competition
- Concluded that the transfer of control would not hurt competition

Step Two

- The Step Two application sought consent
 - for Inmarsat to exercise its option to acquire control of Stratos from the trust
- The only commenter was Vizada
 - Stratos' chief competitor
 - a “middleman” distributor of ~ 40% of Inmarsat's services
 - who is seeking to renew its Inmarsat distribution contract
- HSR and CFIUS requirements were satisfied before FCC approval of the Step Two application

Step Two



Competitive Analysis

- In approving Step Two, the Commission recognized that
 - Inmarsat's acquisition of Stratos is a vertical combination with
 - No increased concentration at any level
 - No resulting harm to other satellite operators
 - No resulting harm to consumers
 - Vertical integration should produce public interest benefits, *e.g.*,
 - a pro-competitive alternative to Inmarsat's legacy distribution structure
 - lower prices, improved quality, and more widespread availability of satellite services to consumers
 - Inmarsat has offered Vizada distribution on the same arm's-length terms to which third parties have agreed
 - The Commission has continuing oversight authority regarding satellite distribution arrangements
 - No basis exists for Vizada's proposed conditions (*e.g.*, structural separation)

Conclusion

- The Step One order anticipated that Inmarsat would acquire control of Stratos
- The vertical integration of Stratos with Inmarsat in Step Two will result in
 - widely-recognized public interest benefits
 - no harms to competition
- The timely approval of Step Two was necessary to facilitate an April closing