

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

In the Matter of)
Iridium Holdings LLC and Iridium Carrier) IB Docket No. 08-232
Holdings LLC, Transferors) File Nos.:
and) ITC-T/C-20081021-00471
GHL Acquisition Corp., Transferee) SAT-T/C-20081021-00208
Applications for Consent to Transfer Control of) SES-T/C-20081021-01350
Iridium Carrier Services LLC, Iridium Satellite) SES-T/C-20081021-01351
LLC, and Iridium Constellation LLC) SES-T/C-20081021-01352
) SES-T/C-20081021-01353
) ISP-PDR-20010319-00015

MEMORANDUM OPINION AND ORDER AND DECLARATORY RULING

Adopted: August 14, 2009

Released: August 14, 2009

By the Acting Chief, International Bureau:

I. INTRODUCTION

1. In this Memorandum Opinion and Order and Declaratory Ruling, we consider a series of applications (collectively, “Application”) filed by Iridium Holdings LLC (“Iridium Holdings”), Iridium Carrier Holdings LLC (“Iridium Carrier Holdings”) and GHL Acquisition Corp. (“GHQ,” and together with Iridium Holdings and Iridium Carrier Holdings, the “Applicants”) under sections 214 and 310 of the Communications Act of 1934, as amended (the “Act”), for authority to transfer control of Iridium Carrier Services LLC (“Iridium Carrier Services”), Iridium Satellite LLC (“Iridium Satellite”), Iridium Constellation LLC (“Iridium Constellation”) and their respective licenses and authorizations from Iridium Holdings and Iridium Carrier Holdings to GHQ, a special purpose acquisition company incorporated in Delaware.¹ Based on the record established in this proceeding, we find that grant of the Application and

¹ 47 U.S.C. §§ 214, 310. The Application consists of: one application to transfer control of Iridium Carrier Holdings’ international section 214 authorization, ITC-T/C-20081021-00471 (held by Iridium Carrier Services); four applications to transfer control of Iridium Holdings’ non-common carrier space-station and earth-station authorizations, SAT-T/C-20081021-00208 and SES-T/C-20081021-01352 (held by Iridium Constellation) and SES-T/C-20081021-01350 and, SES-T/C-20081021-01351 (held by Iridium Satellite); and one application to transfer of control of Iridium Carrier Holding’s common carrier earth station authorization, SES-T/C-20081021-01353 (held by Iridium Carrier Services). With the exception of the international section 214 application, the Application includes a common narrative pleading attached as Exhibit E that describes the parties and the proposed transaction and a public interest statement attached as Exhibit F. See SAT-T/C-20081021-00208 at Exhibit E (“Narrative”) and Exhibit F (“Public Interest Statement”). See also Letter from Mace J. Rosenstein, Counsel for GHL Acquisition Corp., to Marlene H. Dortch, Secretary, FCC (dated Nov. 12, 2008) (“November 12, 2008 Letter”) (amending GHQ’s portion of each of the applications to supply organizational charts depicting the ownership of each of its entities prior to and following consummation of the proposed transfer of control); Letter from John Brunette, Chief Legal and Administrative Officer, Iridium Satellite LLC and Authorized Representative of Iridium Carrier Services LLC, Iridium Carrier Holdings LLC, Iridium Constellation LLC and Iridium Holdings LLC and Scott L. Bok, Chief Executive Officer, Chairman, GHL Acquisition Corp., to Marlene H. Dortch, Secretary, FCC (dated Apr. 14, 2009) (“April 14, 2009 Letter”); Letter from Matthew S. DelNero, Counsel for GHL Acquisition Corp., to Marlene H. (continued....)

modification of Iridium Carrier Services' existing declaratory ruling under section 310(b)(4) of the Act will serve the public interest, convenience and necessity, subject to the conditions specified below. We also grant the Petition to Adopt Conditions on Transfer of Control ("Petition to Adopt Conditions") filed by the United States Department of Justice ("DOJ"), the Federal Bureau of Investigation ("FBI") and the United States Department of Homeland Security ("DHS"), and the request filed by the Applicants on April 14, 2009.² We deny the Petition to Deny filed by Globalstar Licensee LLC ("Globalstar"), and we decline to adopt the conditions requested by Cornell University ("Cornell").

II. BACKGROUND

A. The Applicants

1. Iridium Holdings and Iridium Carrier Holdings

2. Iridium Holdings, together with its subsidiaries and affiliates ("Iridium"), provides mobile satellite service and terrestrial communications services to wholesale and end-user customers in the commercial and government sectors. Iridium's U.S. licenses and authorizations are held by Iridium Satellite, Iridium Constellation and Iridium Carrier Services.

3. Iridium Constellation holds a Title III non-common carrier satellite space station license and Title III non-common carrier earth station licenses. Iridium Satellite holds Title III non-common carrier earth station licenses, and Iridium Carrier Services holds a Title III common carrier earth station license and an international section 214 authorization.³ Iridium Holdings wholly owns Iridium Satellite, which, in turn, is the sole, direct owner of Iridium Constellation. Iridium Carrier Holdings is the sole, direct owner of Iridium Carrier Services. The equity and voting interests in the two holding companies are separately held by a common set of investors.⁴ All of the Iridium companies are Delaware limited liability companies.

2. GHQ

4. GHQ is a special purpose acquisition company incorporated in Delaware whose shares

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Dortch, Secretary, FCC (dated June 2, 2009) ("June 2, 2009 Letter") (providing updated ownership and other information); Letter from Mace Rosenstein and Matthew S. DelNero, Counsel for GHL Acquisition Corp., to Marlene H. Dortch, Secretary, FCC (dated June 15, 2009) ("June 15, 2009 Letter") (supplementing information contained in the June 2, 2009 Letter); Letter from Mace Rosenstein and Matthew S. DelNero, Counsel for GHL Acquisition Corp., to Marlene H. Dortch, Secretary, FCC (dated June 29, 2009) ("June 29, 2009 Letter") (supplementing information contained in the June 2, 2009 Letter and the June 15, 2009 Letter).

² U.S. Department of Justice, Federal Bureau of Investigation, and the Department of Homeland Security, Petition to Adopt Conditions on Transfer of Control (dated July 30, 2009) ("Petition to Adopt Conditions"). The Petition to Adopt Conditions is attached to this Memorandum Opinion and Order and Declaratory Ruling as Appendix C. See April 14, 2009 Letter (requesting that the Commission condition grant of the Application on compliance by Iridium Holdings, Iridium Satellite, Iridium Carrier Holdings, Iridium Carrier Services, and Iridium Constellation with the terms of an agreement dated August 17, 2001 between the DOJ, FBI and Iridium) and ¶ 12, *infra*; see also *Applications of Space Station System Licensee, Inc., Assignor, and Iridium Constellation LLC, Assignee, for Consent to Assignment of License Pursuant to Section 310(d) of the Communications Act*, Memorandum Opinion, Order and Authorization, DA 02-307, 17 FCC Rcd 2271, 2287-88, ¶¶ 36-39, n.106, 2293, ¶ 58, and Appendix A (Int'l Bureau 2002) ("2002 Iridium Order") (granting assignment applications conditioned on Iridium's compliance with the commitments and undertakings contained in the August 17, 2001 Agreement between Iridium Holdings, Iridium Carrier Holdings, Iridium Carrier Services, Iridium Satellite on the one hand, and the DOJ and FBI on the other, which is attached as Appendix A to the 2002 Iridium Order).

³ See *supra* n.1 and Appendix A of this Memorandum Opinion and Order.

⁴ Narrative at 2 (citing 2002 Iridium Order).

are traded publicly on the NYSE Amex (formerly the American Stock Exchange).⁵ In February 2008, GHQ raised \$400 million in an initial public offering (“IPO”) of stock, the proceeds of which are held in a trust account for the purpose of entering into a merger or business combination with an operating company.⁶ Prior to the IPO, GHQ was a wholly-owned subsidiary of Greenhill & Co., Inc. (“Greenhill”), a publicly traded independent investment bank incorporated in Delaware and listed on the New York Stock Exchange. According to the Applicants, Greenhill is owned primarily by its employees. Upon consummation of the proposed transaction, Greenhill will hold between 9.08 to 10.77 percent of the issued and outstanding shares of GHQ.⁷ All of GHQ’s officers and directors are U.S. citizens.⁸

B. Description of the Transaction

5. On September 22, 2008, Iridium and GHQ entered into a Transaction Agreement pursuant to which GHQ will acquire virtually all of the membership interests of Iridium Holdings and Iridium Carrier Holdings from the current owners of Iridium.⁹ On April 28, 2009, Iridium and GHQ amended the Transaction Agreement,¹⁰ reducing the value of Iridium from \$591 million to \$517 million to reflect changes in valuation levels in global equity markets, among other things.¹¹

6. Upon consummation of the proposed transaction, Iridium Holdings will become a 99.45 percent owned subsidiary of GHQ, Iridium Carrier Holdings and Iridium Satellite will become wholly-owned subsidiaries of Iridium Holdings and GHQ will be renamed Iridium Communications, Inc. (“Iridium Communications”).¹² Iridium Carrier Holdings will continue to wholly own Iridium Carrier Services, and Iridium Satellite will continue to wholly own Iridium Constellation. Iridium’s current owners will receive 29,400,000 shares of common stock in GHQ.¹³ At closing, the current owners of Iridium will hold between approximately 38.36 percent and 45.5 percent of the outstanding shares of

⁵ June 2, 2009 Letter at 4.

⁶ Narrative at 3.

⁷ June 2, 2009 Letter at Attachment A.

⁸ Narrative at 4.

⁹ Narrative at 4. With respect to most of the existing owners, GHQ will purchase the owners’ interests directly. However, with respect to certain existing owners, at the request of such owners, GHQ has agreed to acquire their holdings indirectly by purchasing full ownership of the corporations in which such owners’ interests are held. *Id.* at 4 n.5. Specifically, GHQ will acquire a direct ownership interest of approximately 53% and aggregate indirect interests of approximately 47% in Iridium Holdings, which will directly or indirectly wholly own the Iridium licensees as described in paragraph 6, *infra*. The indirect interests will be held through two wholly-owned intervening entities – Baralonco, N.V., a Netherlands Antilles corporation, and Syncom Iridium Holdings Corp., a Delaware corporation. *Id.*

¹⁰ June 2, 2009 Letter.

¹¹ *Id.* at 1.

¹² See November 12, 2008 Letter at A-2; June 2, 2009 Letter at 9. We use the name “GHQ” for purposes of our discussion in this Memorandum Opinion and Order and Declaratory Ruling.

¹³ June 2, 2009 Letter at 1. In addition, GHQ has canceled the tender offer that would have occurred concurrently with consummation of the transaction under the initial Transaction Agreement. GHQ had initially planned to commence a tender offer of up to a maximum of \$120 million less any amounts to be paid to GHQ shareholders who elect to exercise their conversion right. Compare June 2, 2009 Letter at 1 with Narrative at 9. Also, previously, the current owners of Iridium would have held, post-consummation, between approximately 42.18 percent and 48.7 percent of the outstanding shares of Iridium Communications, and the current stockholders of GHQ would have held between 51.3 percent and 57.82 percent of the outstanding shares of Iridium Communications. See Narrative at 7, 9.

GHQ.¹⁴ Applicants state that the only current stockholder of Iridium that will own 10 percent or more of the shares of GHQ is Baralonco Limited, a British Virgin Islands company, which will own, upon consummation, between 13.95 percent and 16.55 percent of the outstanding shares.¹⁵ Applicants further state that the only current stockholder of GHQ that will own 10 percent or more of the shares of GHQ after consummation is Greenhill, which will own between 9.08 percent and 10.77 percent of the outstanding shares.¹⁶

C. Public Notice and Comments

7. The Application was placed on Public Notice on November 26, 2008.¹⁷ The Commission received submissions from: DOJ, FBI and DHS; Globalstar; Cornell; International Communications Group, Inc. (“ICG”); Rockwell Collins, Inc. (“Rockwell”); and the Applicants. The submissions are discussed briefly below.

8. *Globalstar.* Globalstar requests that the Commission either deny the Application because the Applicants have not met the burden of proving that the proposed transaction will serve the public interest or require the Applicants to provide additional information for the public record to demonstrate that the proposed transaction serves the public interest.¹⁸ Globalstar asserts that the Application and related materials reveal that the Iridium system may be operating with fewer than the authorized number of satellites and that based on GHQ’s disclosures to the Securities and Exchange Commission (“SEC”), Iridium’s current satellite constellation is degrading and has suffered component failures that affect its geographic coverage and transmission capacity.¹⁹ Further, Globalstar claims that the filings accompanying Iridium’s application and GHQ’s filings with the SEC do not provide any concrete assurance that Iridium intends or has the financial ability to construct a new satellite constellation to replace the current constellation.²⁰ Globalstar notes that the Application does not assure that any portion of the funds paid by GHQ to Iridium will be used to invest in a new satellite constellation or otherwise maintain or upgrade service.²¹ Thus, Globalstar argues, Iridium has not made its case that the proposed transaction would be in the public interest, and the Commission cannot make such a finding unless and until the Applicants provide sufficient additional information to answer the concerns Globalstar raises.²² Globalstar also contends that the Applicants have failed to address the questions about the state of Iridium’s existing satellite constellation and current operations.²³

9. *Cornell.* Cornell, the operator of the National Astronomy and Ionosphere Center

¹⁴ June 2 Letter at 1.

¹⁵ June 2, 2009 Letter at Attachment A.

¹⁶ *Id.*

¹⁷ See *Iridium Holdings LLC and Iridium Carrier Holdings LLC, Transferors, and GHL Acquisition Corp., Transferee, Seek FCC Consent to the Transfer of Control of Iridium Carrier Services LLC, Iridium Satellite LLC, and Iridium Constellation LLC*, IB Docket No. 08-232, Public Notice, DA 08-2574, 23 FCC Rcd 17100 (2008).

¹⁸ Globalstar, Petition to Deny at 2 (citing 47 U.S.C. § 310(d)), IB Docket No. 08-184 (dated Dec. 29, 2008) (“Globalstar Petition”); Globalstar, Reply, IB Docket No. 08-232 (dated Jan. 21, 2009) (“Globalstar Reply”).

¹⁹ See Globalstar Petition at 3; Globalstar Reply 2-3.

²⁰ See Globalstar Petition at 4-5; Globalstar Reply 4-6

²¹ See Globalstar Petition at 5-6.

²² See Globalstar Petition at 1-2, 7.

²³ Globalstar Reply at 6-7.

(NAIC), does not oppose the proposed transaction but requests that the Commission expressly condition grant of the Application on “full future compliance” by GHQ, the proposed transferee, with Commission rules and all of the obligations currently held by Iridium Constellation under the existing coordination agreement between Iridium Constellation and Cornell.²⁴

10. *ICG/Rockwell.* ICG, a value-added service provider using Iridium’s network, and Rockwell support the proposed transaction, asserting that it will result in a much stronger financial structure for Iridium.²⁵ ICG and Rockwell withdrew comments they initially filed requesting conditions on approval of the Application. They stated their support of the Application in letters withdrawing their initial comments.²⁶

11. *The Applicants.* The Applicants filed a joint opposition and response to Globalstar’s petition and the comments filed by Cornell and ICG.²⁷ Applicants dispute Globalstar’s arguments and reiterate that the proposed transaction will strengthen Iridium generally and, in particular, leave it better positioned to raise the capital necessary to finance its next generation satellite systems, “Iridium NEXT.” They note that, as a result of the proposed transaction, all of Iridium’s existing debt can be eliminated, Iridium will become a public company, enhancing its access to capital, and Iridium will not have a controlling shareholder, the absence of which would make it easier for Iridium to attract new investors, including potentially large strategic or financial investors.²⁸ The Applicants also state that, contrary to Globalstar’s assertions, the Commission routinely finds transfers of control of satellite companies to be in the public interest without requiring that the new financial assets be used to fund replacement satellite systems.²⁹ With regard to Cornell’s request for conditions, Applicants contend that the proposed conditions would not remedy a harm arising as a result of the proposed transaction. Accordingly, Applicants argue that the Commission should reject Cornell’s request and approve the proposed transaction without conditions.³⁰

12. The Applicants subsequently filed a letter on April 14, 2009, requesting that the Commission condition grant of the Application on compliance by Iridium Holdings, Iridium Satellite, Iridium Carrier Holdings, Iridium Carrier Services, and Iridium Constellation with the terms of an agreement dated August 17, 2001 between the DOJ, FBI and Iridium (“Executive Branch Agreement”).³¹ The letter also reaffirms that each of the existing Iridium parties to the Agreement will remain a party

²⁴ Cornell University, Comments, IB Docket No. 08-232 (dated Dec. 29, 2008) (“Cornell Comments”).

²⁵ ICG requested that the Commission condition grant of the Application on Iridium providing open access to technical specifications of its terminal equipment, handsets and other devices. International Communications Group, Inc., Comments, IB Docket No. 08-232 (dated Dec. 29, 2008) (“ICG Comments”). Rockwell filed comments supporting ICG’s request for open access conditions. Letter from John F. Provenzano, Senior Director, Federal Affairs, Rockwell Collins, to Marlene H. Dortch, Secretary, FCC (filed April 29, 2009) (“Rockwell Comments”).

²⁶ Letter from F. Scott Trainum, Chief Executive Officer, ICG, to Marlene H. Dortch, Secretary, FCC (dated June 9, 2009) (“ICG Withdrawal Letter”); Letter from John F. Provenzano, Senior Director, Federal Affairs, Rockwell Collins, to Marlene H. Dortch, Secretary, FCC (filed June 12, 2009) (“Rockwell Withdrawal Letter”).

²⁷ Iridium Holdings LLC, Iridium Carrier Holdings LLC and GHL Acquisition Corp., Joint Opposition and Response, IB Docket No. 08-232 (dated Jan. 12, 2009) (“Joint Opposition”).

²⁸ Joint Opposition at 3-4.

²⁹ Joint Opposition at 5, n.13.

³⁰ Joint Opposition at 9-11.

³¹ See April 14, 2009 Letter.

once the proposed transaction is consummated.³² Iridium also confirms that Iridium Carrier Services, Iridium Satellite and Iridium Constellation will continue to hold all of their existing licenses and authorizations if the Commission approves the transaction, and that Iridium and its affiliates understand that compliance with the Agreement will remain a condition of those licenses and authorizations. Iridium further commits to accepting compliance with the Agreement as a condition of any new FCC license or authorization it may obtain. Finally, the letter notes that GHQ understands the commitments made by Iridium in the Agreement and reaffirms that Iridium will continue to honor the commitments once the proposed transaction is consummated.

13. *DOJ/FBI/DHS.* The DOJ, on behalf of the FBI and with the concurrence of the DHS, (the “Executive Branch Agencies”) initially requested the Commission to defer action on the Application until they have completed their review of any national security, law enforcement or public safety implications of the Application.³³ Subsequently, on July 31, 2009, the Executive Branch Agencies submitted a Petition to Adopt Conditions³⁴ withdrawing their request to defer action and advising that they have no objection to the Commission consenting to the subject Application, provided the Commission conditions its consent on the agreement of Iridium Holdings, Iridium Carrier Holdings and GHQ, and their respective subsidiaries and affiliates to abide by the commitments and undertakings set forth in the Executive Branch Agreement dated August 17, 2001 (previously filed with the Commission in File No. SAT-ASG-20010319-00025) between Iridium Holdings, Iridium Satellite, Iridium Carrier Holdings and Iridium Carrier Services, on the one hand, and the DOJ and the FBI, on the other.³⁵

III. PUBLIC INTEREST ANALYSIS

A. Standard of Review and Framework of Analysis

14. Pursuant to sections 214(a) and 310(d) of the Act,³⁶ the Commission must determine whether the proposed transfer of control to GHQ of licenses and authorizations held and controlled by Iridium’s holding companies and its subsidiaries will serve the public interest, convenience and necessity.³⁷ In making this determination, we first assess whether the proposed transaction complies with

³² *Id.*

³³ Letter from Joanne P. Ongman, Attorney, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, Secretary, Federal Communications Commission (dated Dec. 23, 2008).

³⁴ Petition to Adopt Conditions.

³⁵ *Id.* at 1-2.

³⁶ Sections 214(a) and 310(d) of the Act, 47 U.S.C. §§ 214(a), 310(d).

³⁷ 47 U.S.C. § 310(d) requires that we consider applications for the 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. See e.g., *Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings, LLC*, WT Docket No. 08-95, Memorandum Opinion and Order and Declaratory Ruling, FCC 08-258, 23 FCC Rcd 17444, 17460, ¶ 26 (2008), recon. pending (“Verizon-Alltel Order”); *Applications of AT&T Inc. and Dobson Communications Corporation*, WT Docket No. 07-153, Memorandum Opinion and Order, FCC 07-196, 22 FCC Rcd 20295, 20301, ¶ 10 (2007) (“AT&T-Dobson 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, 13588-9, ¶ 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 (rel. Oct. 2, 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”); (continued....)

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.

15. In analyzing a proposed transfer of control, the Commission generally employs a balancing test, weighing any potential public interest harms against the potential public interest benefits.³⁸ Under the traditional balancing test, the Applicants bear the burden to prove by a preponderance of the evidence that the proposed transaction, on balance, serves the public interest.³⁹ If we are unable to find that the proposed transaction serves the public interest for any reason, or if the record presents a

(Continued from previous page) —

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"); *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corporation*, WT Docket 04-70, Memorandum Opinion and Order, FCC 04-255, 19 FCC Rcd 21522, 21542, ¶ 40 (2004) ("Cingular/AT&T Wireless Order"); *General Motors Corporation and Hughes Electronics Corporation, Transferors, and The News Corporation Limited, Transferee*, MB Docket No. 03-124, Memorandum Opinion and Order, FCC 03-330, 19 FCC Rcd 473, 485, ¶ 18 (2004) ("News Corp./Hughes Order").

³⁸ See, e.g., *Verizon-Alltel*, 23 FCC Rcd at 17460, ¶ 26; *AT&T-Dobson*, 22 FCC Rcd at 20302, ¶ 10; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13588, ¶ 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 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; *Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21542-43, ¶ 40; *News Corp./Hughes Order*, 19 FCC Rcd at 483, ¶ 15; *Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee*, CC Docket 98-184, Memorandum Opinion and Order, FCC 00-221, 15 FCC Rcd 14032, 14046, ¶¶ 20, 22 (2002); *Applications of VoiceStream Wireless Corporation and Powertel, Inc., Transferors, and Deutsche Telekom AG, Transferee*, IB Docket No. 00-187, Memorandum Opinion and Order, FCC 01-142, 16 FCC Rcd 9779, 9789, ¶ 17 (2001) ("DT VoiceStream Order"); *Applications of Ameritech Corp., Transferor, and SBC Communications Inc., Transferee, for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commission's Rules*, CC Docket No. 98-141, Memorandum Opinion and Order, FCC 99-279, 14 FCC Rcd 14712, 14737-38, ¶ 48 (1999) ("SBC/Ameritech Order"); *Application of WorldCom, Inc. and MCI Communications Corporation for Transfer of Control of MCI Communications Corporation to WorldCom, Inc.*, CC Docket No. 97-211, Memorandum Opinion and Order, FCC 98-225, 13 FCC Rcd 18025, 18031, ¶ 10 (1998) ("WorldCom/MCI Order"); *Applications of NYNEX Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of NYNEX Corporation and its Subsidiaries*, Memorandum Opinion and Order, FCC 97-286, 12 FCC Rcd 19985, 19987, ¶ 2 (1997).

³⁹ See, e.g., *Verizon-Alltel*, 23 FCC Rcd at 17460-61, ¶ 26; *AT&T-Dobson*, 22 FCC Rcd at 20302, ¶ 10; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13588, ¶ 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; *Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21542-44, ¶ 40 (citing, e.g., *News Corp./Hughes Order*, 19 FCC Rcd at 483, ¶ 15; *Applications for Consent to the Transfer of Control of Licenses from Comcast Corporation and AT&T Corp., Transferors, to AT&T Comcast Corporation, Transferee*, MB Docket No. 02-70, Memorandum Opinion and Order, FCC 02-310, 17 FCC Rcd 23246, 23255, ¶ 26 (2002) ("AT&T/Comcast Order"); *Application of EchoStar Communications Corporation (a Nevada Corporation), General Motors Corporation, and Hughes Electronics Corporation (Delaware Corporations) (Transferors) and EchoStar Communications Corporation (a Delaware Corporation) (Transferee)*, CS Docket No. 01-348, Hearing Designation Order, FCC 02-284, 17 FCC Rcd 20559, 20574, ¶ 25 (2002) ("EchoStar/DirecTV Order")).

substantial and material question of fact, we may designate the Application for hearing.⁴⁰

16. Our public interest evaluation necessarily encompasses the “broad aims of the Communications Act,”⁴¹ 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.⁴² 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.⁴³ 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.⁴⁴

17. Our analysis starts with an examination of whether the Applicants are qualified to hold and transfer licenses pursuant to sections 214(a) and 310(d) of the Act.⁴⁵ Next, we consider the

⁴⁰ 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 application for hearing. 47 U.S.C. § 309(e); *see Verizon-Alltel*, 23 FCC Rcd at 17461, ¶ 27; *AT&T-Dobson*, 22 FCC Rcd at 20302, ¶ 10; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13588, ¶ 13; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11535, ¶ 16; *EchoStar/DirecTV Order*, 17 FCC Rcd at 20574, ¶ 25; *Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21542-44, ¶ 40.

⁴¹ *See Verizon-Alltel*, 23 FCC Rcd at 17461, ¶ 27; *AT&T-Dobson*, 22 FCC Rcd at 20303, ¶ 12; *DoCoMo-Guam Cellular Order*, 21 FCC at 13591, ¶ 15; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11536, ¶ 18; *SBC/AT&T Order*, 20 FCC Rcd at 18301, ¶ 17; *Verizon/MCI Order*, 20 FCC Rcd at 18443, ¶ 17; *Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21544, ¶ 41 (citing, e.g., *News Corp./Hughes Order*, 19 FCC Rcd at 483-84, ¶ 16; *AT&T/Comcast Order*, 17 FCC Rcd at 23255, ¶ 27; *EchoStar/DirecTV Order*, 17 FCC Rcd at 20575, ¶ 26).

⁴² *See* 47 U.S.C. §§ 157 (incorporating section 706 of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (1996 Act)), 254, 332(c)(7)); 1996 Act, Preamble; *Verizon-Alltel*, 23 FCC Rcd at 17461, ¶ 27; *AT&T-Dobson*, 22 FCC Rcd at 20303, ¶ 12; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13591, ¶ 18; *SBC/AT&T Order*, 20 FCC Rcd at 18301, ¶ 17; *Verizon/MCI Order*, 20 FCC Rcd at 18443-44, ¶ 17; *Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21544, ¶ 41; *see also WorldCom/MCI Order*, 13 FCC Rcd at 18030-31, ¶ 9; 2000 Biennial Regulatory Review Spectrum Aggregation Limits for Commercial Mobile Radio Services, Report and Order, FCC 01-328, 16 FCC Rcd 22668, 22696, ¶ 55 (2001) (citing 47 U.S.C. §§ 301, 303, 309(j), 310(d)); *cf. 47 U.S.C. §§ 521(4), 532(a)*.

⁴³ *See Verizon-Alltel*, 23 FCC Rcd at 17461, ¶ 27; *AT&T-Dobson*, 22 FCC Rcd at 20303-04, ¶ 12; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13591, ¶ 15; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11536, ¶ 18; *SBC/AT&T Order*, 20 FCC Rcd at 18301, ¶ 17; *Verizon/MCI Order*, 20 FCC Rcd at 18443-44, ¶ 17; *Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21544, ¶ 41 (citing, e.g., *AT&T/Comcast Order*, 17 FCC Rcd at 23255, ¶ 27; *WorldCom/MCI Order*, 13 FCC Rcd at 18030-31, ¶ 9).

⁴⁴ *See Verizon-Alltel*, 23 FCC Rcd at 17461, ¶ 27; *AT&T-Dobson*, 22 FCC Rcd at 20303-04, ¶ 12; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13591, ¶ 15; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11536, ¶ 18; *SBC/AT&T Order*, 20 FCC Rcd at 18301-02, ¶ 17; *Verizon/MCI Order*, 20 FCC Rcd at 18444, ¶ 17; *Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21544, ¶ 41.

⁴⁵ 47 U.S.C. §§ 214(a), 310(d). The Applicants also request that the Commission include authority for the transfer of control of (1) any license or authorization issued to Iridium during the period prior to the grant of the instant Application or during the period required for consummation following approval; and (2) any applications, petitions (continued....)

arguments raised by commenters regarding the potential harms and benefits of the proposed transaction, as well as its effects on competition. Then we consider foreign-ownership issues. Finally, we consider issues related to national security, law enforcement, foreign policy and trade policy.

B. Qualifications of the Applicants

18. First, we must determine whether the Applicants meet the requisite qualifications to hold and transfer licenses under section 310(d) of the Act and the Commission's rules. In general, when evaluating transfers of control applications under section 310(d), we do not re-evaluate the qualifications of the transferor.⁴⁶ 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.⁴⁷ This is not the case here. In the *2002 Iridium Order*, we concluded that Iridium Constellation, Iridium Satellite and Iridium Carrier Services, the assignees in that transaction, are qualified to hold their respective licenses and authorizations and nothing in the current record would lead us to conclude otherwise.⁴⁸

19. As to the basic qualifications of GHQ, the transferee in this proposed transaction, section 310(d) of the Act requires us to consider the qualifications of the proposed transferee as if the transferee were applying for the license directly under section 308 of the Act.⁴⁹ We see nothing in the record that suggests that GHQ would not be legally, technically or financially qualified to be the transferee. No commenter has challenged GHQ's financial, legal, technical or other basic qualifications to be a licensee under the Act. Accordingly, we find that GHQ is qualified to hold the licenses and authorizations that are being transferred in the proposed transaction, subject to our foreign ownership analysis below and conditions imposed as a result of that analysis.

C. Effect on Competition

20. In this section, we consider various economic and other issues pertinent to the proposed

(Continued from previous page) ——————
or other filings that have been filed by Iridium and are pending at the time of consummation of the proposed transfer of control. See Narrative at 23.

⁴⁶ See *Verizon-Alltel*, 23 FCC Rcd at 17465, ¶ 33; *AT&T-Dobson*, 22 FCC Rcd at 20302-04, ¶11; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13590, ¶ 14; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11536, ¶ 17; *Sprint Nextel-Nextel Partners Order*, 21 FCC Rcd at 7362, ¶ 10; *SBC-AT&T Order*, 20 FCC Rcd at 18379, ¶ 171; *Verizon-MCI Order*, 20 FCC Rcd at 18526, ¶ 183; *Sprint-Nextel Order*, 20 FCC Rcd at 13979, ¶ 24; *ALLTEL-Western Wireless Order*, 20 FCC Rcd at 13063-4, ¶ 18; *Cingular-AT&T Wireless Order*, 19 FCC Rcd at 21546, ¶ 44; *Deutsche Telekom/VoiceStream Order*, 16 FCC Rcd at 9790, ¶ 19.

⁴⁷ See *Verizon-Alltel*, 23 FCC Rcd at 17465, ¶ 33; *AT&T-Dobson*, 22 FCC Rcd at 20302, ¶11; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd 13590, ¶ 14; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11536-7, ¶ 17; *Sprint Nextel-Nextel Partners Order*, 21 FCC Rcd at 7362, ¶ 10; *SBC-ATT Order*, 20 FCC Rcd at 18379, ¶ 171; *Verizon-MCI Order*, 20 FCC Rcd at 18526, ¶ 183; *Sprint-Nextel Order*, 20 FCC Rcd at 13979, ¶ 24; *ALLTEL-Western Wireless Order*, 20 FCC Rcd at 13063-4, ¶ 18; *Cingular-AT&T Wireless Order*, 19 FCC Rcd at 21546, ¶ 44; *Deutsche Telekom/VoiceStream Order*, 16 FCC Rcd at 9790, ¶ 19.

⁴⁸ *2002 Iridium Order* at ¶ 12.

⁴⁹ 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. 47 U.S.C. § 308. See also *Verizon-Alltel*, 23 FCC Rcd at 17465, ¶ 33; *AT&T-Dobson*, 22 FCC Rcd at 20303, ¶12; *DoCoMo-Guam Cellular Order*, 21 FCC Rcd at 13590, ¶ 14; *ALLTEL-Midwest Wireless Order*, 21 FCC Rcd at 11536-7, ¶ 17; *Sprint Nextel-Nextel Partners Order*, 21 FCC Rcd at 7362, ¶ 10; *SBC-ATT Order*, 20 FCC Rcd at 18379, ¶ 171; *Verizon-MCI Order*, 20 FCC Rcd at 18526, ¶ 183; *ALLTEL-Western Wireless Order*, 20 FCC Rcd at 13063-4, ¶ 18; *Cingular-AT&T Wireless Order*, 19 FCC Rcd at 21546, ¶ 44.

transaction. We first evaluate whether GHQ's acquisition of Iridium has the potential to adversely affect competition in the provision and distribution of mobile satellite services ("MSS"), ultimately harming consumers through excessive prices, lower quality or restrictions in availability. We next consider several economic issues raised by Globalstar related to whether the proposed transaction is likely to contribute to Iridium's long-term viability as a provider of global MSS. Finally, we address other issues that have been raised by Globalstar and Cornell.⁵⁰

21. Based on our review of the proposed transaction and the record, we find below that the transaction is likely to benefit the public by strengthening Iridium financially, and we do not anticipate that the transaction has the potential to adversely affect competition (*e.g.*, by increasing market concentration) or harm consumers. With no likely anti-competitive harms and likely public benefits, we believe that the transaction in the public interest. Finally, we find that other concerns raised by Globalstar do not warrant denial of the Application.

1. Transaction's Potential for Anti-Competitive Harm

22. The Applicants contend that the proposed transaction will not produce anti-competitive effects in the MSS market.⁵¹ According to the Application, GHQ currently holds no assets other than cash from its initial public offering that will be used to finance the transaction.⁵² The Applicants state that none of GHQ's 10 percent or greater stockholders holds a controlling interest in another FCC licensee or communications service provider.⁵³ Iridium states that the proposed transaction will not increase the concentration of ownership in any market or create other potentially anti-competitive effects.⁵⁴ The Applicants state that the proposed transaction will not result in the consolidation of any interests in U.S. telecommunications markets as GHQ holds no attributable interest in any satellite, telecommunications or media company serving a U.S. market.⁵⁵

23. The information provided in the Application indicates that the proposed transaction is a transfer of control of Iridium to a transferee, GHQ, that neither owns nor controls other entities involved in the provision of telecommunications services or telecommunications generally. Moreover, according to the Application, none of GHQ's major stockholders hold a controlling interest in another FCC licensee or communications service provider. We conclude, therefore, that the proposed transfer of control will not result in an increase in concentration in the provision of any service or group of services subject to the Commission's jurisdiction. There is no evidence in the record, nor does any party claim, that the transaction will result in an enhanced incentive or ability of Iridium to act anti-competitively with regard to the provision of mobile satellite services. We therefore conclude that the transaction poses little risk of anticompetitive harm.

2. Effect of Transaction on the Long-Term Viability of Iridium

24. We next address Globalstar's contention that the proposed transaction would not serve the public interest. Globalstar argues that the proposed transaction appears to be intended to enrich

⁵⁰ We do not address ICG's and Rockwell's request for open access conditions on Iridium as a condition for approval of the proposed transaction because ICG and Rockwell withdrew their comments and give their full and unconditional support to grant of the Application. *See* ICG Withdrawal Letter; Rockwell Withdrawal Letter.

⁵¹ Joint Opposition and Response at 3.

⁵² Public Interest Statement at 5.

⁵³ Public Interest Statement at 5.

⁵⁴ Public Interest Statement at 5.

⁵⁵ Joint Opposition at 3 n.7.

Iridium's present owners and Greenhill and its principals without providing any assurance that Iridium's services will continue to be available over the long-term.⁵⁶ Globalstar contends that the information provided by the Applicants suggests that the overriding purpose of the proposed transaction is to provide Iridium's owners with a windfall, rather than to ensure that Iridium will have the financial means to construct a second-generation constellation or otherwise to ensure the ongoing availability of its services.⁵⁷ Additionally, according to Globalstar, Iridium's satellite constellation is in a "degrading state," and GHQ has not provided adequate assurances that Iridium has the intent or financial ability to undertake the construction of a new constellation.⁵⁸ Globalstar asserts that no more than \$17 million of GHQ's \$400 million investment will be left to fund a new constellation (estimated to cost \$2.7 billion) after GHQ makes a variety of payments, including approximately \$131 million allowing Iridium to retire its current net indebtedness.⁵⁹ Globalstar states that Iridium's planned pay-off of its debt, in itself, does nothing to ensure that Iridium will have the capacity to continue providing its services over the long term.⁶⁰ Globalstar states that the proposed conversion of Iridium into a public company is a merely a change of form and does not constitute a public interest benefit.⁶¹ Globalstar concludes that the Commission cannot find that the transaction is in the public interest in light of the significant questions about the state of Iridium's current constellation and current operations and its intent and financial ability to move forward with the design, construction and launch of a second-generation system.⁶² Globalstar argues that the Commission should not approve the proposed transaction unless and until the Applicants provide additional information regarding these questions.⁶³

25. The Applicants state that the proposed transaction will serve the public interest because it will improve the ability of Iridium to continue to provide their unique and highly specialized satellite voice and communications solutions in the United States and around the world.⁶⁴ According to the Applicants, the transaction will enhance Iridium's financial position by providing an immediate capital infusion that will enable the company to retire all of its existing debt and will facilitate its access to additional capital.⁶⁵ Access to capital, in turn, will be necessary to the development and launch of Iridium's next generation satellite constellation, "Iridium NEXT," which will bring next-generation services to existing and future Iridium customers throughout the world, including those in rural and underserved regions.⁶⁶ Applicants further state that the proposed transaction will provide Iridium with

⁵⁶ Globalstar Reply at 1-2.

⁵⁷ Globalstar Reply at 4. *See also* Globalstar Reply, at 5 (arguing that Greenhill and its principals stand to make a profit in excess of \$70 million as a result of the transaction, regardless of whether or not Iridium's system remains viable).

⁵⁸ Globalstar Petition at 4-5.

⁵⁹ Globalstar Petition at 5-6.

⁶⁰ Globalstar Reply, at 2. Globalstar asserts that GHQ has not supported its claim that it will be able to fund a large part of the costs of the new constellation from internally generated cash flows and secondary payloads, with the remainder from outside financing. Globalstar Petition at 6-7 (citing GHL Acquisition Corp., Schedule 14A at 69, filed with the SEC on Dec. 1, 2008).

⁶¹ Globalstar Reply at 4.

⁶² Globalstar Petition at 9.

⁶³ Globalstar Petition at 1-2.

⁶⁴ Public Interest Statement at 1; Joint Opposition at 2.

⁶⁵ Public Interest Statement at 1; Joint Opposition at 3-4.

⁶⁶ Public Interest Statement at 1; Joint Opposition at 5.

financial stability during a period of turmoil in the global credit markets and beyond.⁶⁷ Moreover, the elimination of Iridium's debt, the enhancement of its working capital accounts and, as a public company, its continued access to the public equity markets, together will greatly enhance Iridium's position in the competitive MSS market.⁶⁸ The Applicants state that Iridium's improved financial position will have a positive impact on national security, emergency preparedness and service to underserved areas.⁶⁹ The Applicants also note that the Commission has routinely found transfers of control of satellite companies to be in the public interest without requiring that new assets be used to fund replacement satellite systems.⁷⁰ The Applicants affirm their intention to build and launch a new satellite constellation, but also argue that neither the Act nor the Commission's rules require assurances that assets acquired in the transfer be applied to such an endeavor.⁷¹

26. Based on our review of the record, we find that the proposed transaction is likely to result in public benefits, including the long-term viability of Iridium as a provider of global mobile satellite services. We agree with the Applicants that the proposed transaction will strengthen Iridium financially and leave it better positioned to raise the capital necessary to develop, launch and operate Iridium NEXT. We are not persuaded by Globalstar's assertion that GHQ's stated plan to retire all of Iridium's existing debt will do nothing to ensure that Iridium will have the capacity to continue providing its services over the long term. Although the retirement of debt does not guarantee the eventual replacement of Iridium's satellite system, the Applicants do not have to make such a showing. As we interpret Iridium's argument, the retirement of Iridium's debt is a reasonable step to protect Iridium from refinancing existing debt during periods of global financial instability, and to avoid being subject to debt servicing obligations during these periods. Improved access to capital will also facilitate Iridium's ability to address any current operational problems with its satellite system. We agree with the Applicants that Iridium will find it easier to raise capital by becoming a public company. We also agree with the Applicants that neither the Act nor the Commission's rules require assurances that assets acquired in the proposed transfer be used to fund a replacement satellite system.

3. Other Matters

27. *Cornell Request for Conditions.* Cornell, as the operator of the National Astronomy and Ionosphere Center ("NAIC"), requests that we expressly condition grant of the Application on "full future compliance" by GHQ with Commission rules and all of the obligations currently held by Iridium Constellation under the existing Coordination Agreement between Iridium Constellation and Cornell

⁶⁷ Public Interest Statement at 1; Joint Opposition at 2-5.

⁶⁸ Public Interest Statement at 2. Joint Opposition at 5. The Applicants assert that Iridium's post-closing status as a public company will enhance its access to capital by making it easier to attract investors. Joint Opposition at 4.

⁶⁹ Public Interest Statement at 3-4. Joint Opposition at 5. According to the Applicants, Iridium provides valuable and unique services to the U.S. Department of Defense, including vital communications services that support U.S. and Coalition Forces in the Middle East region. Public Interest Statement at 3. Applicants also state that Iridium's services facilitate the coordination of humanitarian services during times of public emergencies, such as during Hurricane Katrina. Public Interest Statement at 3. Moreover, the Applicants state that Iridium provides vital services to remote areas of the globe, such as Alaska and Antarctica, as well as unique and valuable services to underserved areas in the United States. Public Interest Statement at 1, 4.

⁷⁰ Joint Opposition at 5.

⁷¹ Joint Opposition at 6-7.

regarding protection of radio astronomy observations at NAIC (“Iridium/NAIC 2001 Agreement”).⁷² Under that agreement, for example, Iridium Constellation, a wholly-owned indirect subsidiary of Iridium, agrees to notify NAIC prior to or the day of the filing with the FCC of an application to assign or transfer control of its mobile satellite service to a third party, and obtain a written assumption of the Iridium/NAIC 2001 Agreement from the third party, with such assumption being effective upon the consummation of the assignment.⁷³ Iridium, in its joint opposition with GHQ, argues that its obligations to protect radio astronomy are unrelated to the proposed transaction and, just like Iridium’s other third party contracts, the Iridium/NAIC 2001 Agreement will not be affected by the proposed transfer of control of Iridium to GHQ.⁷⁴

28. The Commission has previously stated that “Iridium . . . is still bound by the existing agreements and that it will have to terminate operations if its operations cause unacceptable interference to radio astronomy observations, as specified in the existing agreements.”⁷⁵ We also note that, by its terms, the Iridium/NAIC 2001 Agreement requires the Iridium licensee to provide Cornell with a written assumption by any party to whom Iridium’s licenses are transferred.⁷⁶ Although we are cognizant of the need to ensure continued protection from harmful interference to the NAIC, the Commission has a long-standing policy of not interfering with private contractual disputes⁷⁷ absent a showing of a violation of a Commission rule or a federal statute.⁷⁸ Accordingly, we do not find it appropriate to impose the condition that Cornell requests.

29. *Other Issues Raised by Globalstar.* In addition to Globalstar’s arguments discussed above that the proposed transaction would not serve the public interest, Globalstar also asserts that the materials filed by the parties raise additional issues that we must investigate before the Application may be granted. Globalstar lists these issues as “the substantial likelihood that Iridium will be forced to de-orbit some of all of its satellites well before the launch of any second-generation constellation.”⁷⁹

⁷² Cornell Comments at 1, 5. On May 7, 2001, NAIC and Iridium (formerly “New Iridium”) signed an agreement to ensure that Iridium will operate its system in a spectrum efficient manner without causing interference to the NAIC Arecibo Radio Astronomy Observatory. (“Iridium/NAIC 2001 Agreement”).

⁷³ Iridium/NAIC 2001 Agreement at ¶ 9.

⁷⁴ Joint Opposition at 10.

⁷⁵ *Spectrum and Service Rules for Ancillary Terrestrial Components in the 1.6/2.4 GHz Big LEO Bands; Review of the Spectrum Sharing Plan Among Non-Geostationary Satellite Orbit Mobile Satellite Service Systems in the 1.6/2.4 GHz Bands*, IB Docket No. 07-253, Second Order on Reconsideration and Second Report and Order, 22 FCC Rcd 19733, 19742 at ¶ 20 (2007).

⁷⁶ Cornell Comments, Appendix at ¶ 9.

⁷⁷ See, e.g., *Robert M. Franklin, Transferor, Inmarsat, plc, Transferee, Consolidated Application for Consent to Transfer Control of Stratos Global Corporation and its Subsidiaries from an Irrevocable Trust to Inmarsat, plc*, IB Docket No. 08-143, Memorandum Opinion and Order and Declaratory Ruling, DA 09-117 (Int’l Bur., rel. Jan. 16, 2009). See also *Antilles Wireless, L.L.C. d/b/a USA Digital*, 24 FCC Rcd 4696, 4699, ¶ 8 (2009).

⁷⁸ See, e.g., *Pappammal Wellington Kurian*, 24 FCC Rcd 4827, 4831, ¶ 13 (WTB/Mobility Division 2009) (citing *Loral Corporation*, Memorandum Opinion and Order, DA 97-725, 12 FCC Rcd 21164 at 21171-72, ¶ 13 (Int’l Bur. 1997)). In a letter dated December 22, 2008, counsel for Iridium and GHQ affirmed to counsel for Cornell that Iridium will continue to comply with the Iridium/NAIC 2001 Agreement following consummation of GHQ’s investment. See Letter from Peter D. Shields and Jennifer Hindin, Counsel to Iridium, and Mace Rosenstein, Counsel to GHQ, to Paul J. Feldman, Counsel to Cornell University (dated Dec. 22, 2008), attached as Exhibit A to the Joint Opposition.

⁷⁹ Globalstar Petition to Deny at 8.

“whether Iridium’s assertion that it provides ‘complete coverage of the entire globe’ . . . is materially misleading,”⁸⁰ “whether Iridium satisfies the coverage requirements contained in section 25.143(b)(2) of the Commission’s rules,”⁸¹ and “whether Iridium is operating in other countries unlawfully in certain portions of the L-band spectrum for which it has only obtained the authority to operate in the United States.”⁸² Globalstar fails to provide any evidence to support its allegations, and we do not believe that any of these allegations, even if true, are relevant to the question of whether a transfer of Iridium’s licenses would be in the public interest. Accordingly, we do not find these arguments sufficient to warrant denial of the Application.

IV. SECTION 310 FOREIGN OWNERSHIP REVIEW

30. Applicants state that the Commission previously authorized certain indirect foreign investment in Iridium Carrier Services – the only Iridium entity that holds, or will hold upon consummation of the proposed transaction, a Title III common carrier license – in excess of the 25 percent benchmark set forth in section 310(b)(4) of the Act.⁸³ In particular, they note that the *2002 Iridium Order* authorized certain named foreign investors to hold, in the aggregate, indirect equity and voting interests in Iridium Carrier Services of up to 51.582 percent and 60 percent, respectively, and afforded it additional flexibility to accept up to and including an additional aggregate 25 percent indirect equity and/or voting interests from foreign investors and entities without obtaining further Commission approval, subject to certain conditions.⁸⁴

31. Applicants assert that, upon consummation of the proposed transaction, the indirect foreign ownership of Iridium Carrier Services will be well within the ambit of Iridium’s existing section 310(b)(4) ruling.⁸⁵ Based on the information in the record and as explained below, we find that, with the exception of two foreign-organized holding companies, the proposed indirect foreign ownership of

⁸⁰ Globalstar Petition to Deny at 8.

⁸¹ Globalstar Petition to Deny at 8.

⁸² Globalstar Petition to Deny at 8.

⁸³ 47 U.S.C. § 310(b)(4); *see* Narrative at 10-12 (citing File No. ISP-PDR-20010319-00015, granted with conditions in the *2002 Iridium Order*, 17 FCC Rcd at 2281, ¶ 18, 2285, ¶ 29).

⁸⁴ *See* Narrative at 11-12. The declaratory ruling in the *2002 Iridium Order* permitted the indirect foreign ownership of Iridium Carrier Services by Bareena Holdings Pty, Ltd., its parent, Quadrant Australia Limited (“Quadrant”), and Quadrant’s Australian shareholders (20.996% equity and 20% voting); Millport Associates, S.A. and its parent, Inepar Administracao de Bens Servicose Participacoes, S.A., and their Brazilian and Italian shareholders (9.948% equity and 20% voting); VRT Telecommunications GmbH & Co. and its German shareholders (1.1% equity); and Baralonco, N.V. and Khalid bin Abdulrahman, through his investment in Baralonco, N.V. (19.538% equity and 20% voting). That ruling also allowed Iridium Carrier Services to accept up to and including an additional aggregate 25% indirect equity and/or voting interests from these investors, or other foreign investors, subject to the following conditions. First, no single foreign investor may acquire an indirect equity or voting interest in Iridium Carrier Services in excess of 25% without prior Commission approval under section 310(b)(4). Second, Iridium Carrier Services shall seek approval under section 310(b)(4) before it accepts any additional indirect investment from an investor from a non-WTO country that, when aggregated with Baralonco’s interests, exceeds 25%. *2002 Iridium Order*, 17 FCC Rcd at 2285, ¶ 29.

⁸⁵ Iridium maintains that, in the event the Commission determines to issue an updated declaratory ruling under section 310(b)(4) with respect to the proposed transaction, the detailed information set out in the applications regarding Iridium Carrier Services’ proposed indirect foreign ownership is sufficient to permit such a ruling consistent with Commission policy and precedent. Narrative at 11, n.11. Detailed information on the indirect foreign ownership of Iridium Carrier Services is included in the Narrative at 10-22; the June 2, 2009 Letter; the June 15, 2009 Letter; and the June 29, 2009 Letter.

Iridium Carrier Services will comply with its existing declaratory ruling, issued in the *2002 Iridium Order*, and is otherwise consistent with the Commission’s foreign ownership policies. We modify Iridium Carrier Services’ ruling in this Memorandum Opinion and Order and Declaratory Ruling to authorize specifically the indirect ownership interests that will be held in Iridium Carrier Services by two foreign-organized holding companies, Baralonco N.V. and Baralonco Limited.⁸⁶ For the reasons stated below, we conclude that the public interest would not be served by denying the Application due to indirect foreign ownership of Iridium Carrier Services that will result from the proposed transaction.

A. Legal Standard for Foreign Ownership of Radio Licensees

32. We review the foreign ownership of Iridium Carrier Services under section 310(b)(4) of the Act and the Commission’s foreign ownership policies established in the *Foreign Participation Order*.⁸⁷ As part of that analysis, we consider any national security, law enforcement, foreign policy or trade policy concerns raised by the proposed transaction.⁸⁸ Relying on Commission precedent, we find that the indirect foreign ownership of Iridium Carrier Services does not raise any issues under section 310(a) or 310(b)(1)-(3) of the Act.⁸⁹ Our analysis focuses on issues raised under section 310(b)(4).

33. Section 310(b)(4) of the Act establishes a 25 percent benchmark for investment by foreign individuals, corporations and governments in U.S.-organized entities that control U.S. common

⁸⁶ As discussed in paragraphs 38-39 *infra*, Baralonco N.V. is organized in the Netherlands Antilles, and Baralonco Limited is organized in the British Virgin Islands.

⁸⁷ See *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration*, IB Docket Nos. 97-142 and 95-22, 12 FCC Rcd 23891 (1997) (“*Foreign Participation Order*”), Order on Reconsideration, 15 FCC Rcd 18158 (2000). We note that section 310(b)(4) governs only common carrier, broadcast, and aeronautical en route and aeronautical fixed radio licenses. Therefore, our foreign ownership review does not address specifically the proposed transfer of control of the non-common carrier licenses held by Iridium Constellation and Iridium Satellite. Our findings with respect to competitive effects, *see supra* ¶¶ 20-29, our public interest determination for the common carrier licenses, *see infra* ¶ 38-49, and the Executive Branch’s resolution of any national security and law enforcement concerns, *see infra* ¶ 50, collectively suffice to resolve any public interest implications, outside our review under section 310(b)(4), to the extent there are any, for the non-common carrier licenses.

⁸⁸ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing foreign investment pursuant to sections 310(b)(4) and 310(d). *Foreign Participation Order*, 12 FCC Rcd at 23918-21, ¶¶ 59-66.

⁸⁹ Section 310(a) of the Act prohibits any radio license from being “granted to or held by” a foreign government or its representative. 47 U.S.C. § 310(a). In this case, no foreign government or its representative holds or will hold any of the subject radio licenses. Section 310(b)(1)-(2) of the Act prohibits common carrier, broadcast and aeronautical fixed or aeronautical en route radio licenses from being “granted to or held by” aliens, or their representatives, or foreign corporations. 47 U.S.C. § 310(b)(1)-(2). We find that no alien, representative, or foreign corporation holds or will hold any common carrier radio licenses in this case. Accordingly, we find that proposed transaction is not inconsistent with the foreign ownership provisions of section 310(a) or 310(b)(1)-(2) of the Act. *See Applications of VoiceStream Wireless Corp., Powertel, Inc., Transferors, and Deutsche Telekom AG, Transferee*, IB Docket No. 00-187, Memorandum Opinion and Order, 16 FCC Rcd 9779, 9804-9809, ¶¶ 38-48. Additionally, because the foreign investment in Iridium Carrier Services is held through its controlling direct and indirect U.S. parent companies, Iridium Carrier Holdings and Iridium Holdings, respectively, the proposed transaction does not trigger section 310(b)(3) of the Act, which places a 20% limit on alien, foreign corporate or foreign government ownership of entities that themselves hold common carrier, broadcast and aeronautical fixed or aeronautical en route Title III licenses. Compare 47 U.S.C. § 310(b)(3) with § 310(b)(4). *See Request for Declaratory Ruling Concerning the Citizenship Requirements of Sections 310(b)(3) and (4) of the Communications Act of 1934, as amended*, Declaratory Ruling, 103 F.C.C. 2d 511 (1985) (“*Wilner & Scheiner I*”), recon. in part, 1 FCC Rcd 12 (1986).

carrier radio licensees. This section also grants the Commission discretion to allow higher levels of foreign ownership if it determines that such ownership is not inconsistent with the public interest.⁹⁰ The presence of aggregated alien equity or voting interests in a common carrier licensee's U.S. parent in excess of 25 percent triggers the applicability of section 310(b)(4)'s statutory benchmark.⁹¹ Once the benchmark is triggered, section 310(b)(4) directs the Commission to determine whether the "public interest will be served by the refusal or revocation of such license."⁹²

34. In the *Foreign Participation Order*, the Commission concluded that the public interest would be served by permitting greater investment by individuals or entities from World Trade Organization ("WTO") Member countries in U.S. common carrier and aeronautical fixed and aeronautical en route radio licensees.⁹³ Therefore, with respect to indirect foreign investment from WTO Members, the Commission adopted a rebuttable presumption that such investment generally raises no competitive concerns.⁹⁴ In evaluating an applicant's request for approval of foreign ownership interests under section 310(b)(4), the Commission uses a "principal place of business" test to determine the nationality or "home market" of foreign investors.⁹⁵

35. In light of Commission policies adopted in the *Foreign Participation Order*, we begin our evaluation of the indirect foreign ownership of Iridium Carrier Services under section 310(b)(4) by calculating the foreign equity and voting interests that will be held in its indirect U.S. parent company, Iridium Holdings, upon consummation of the proposed transaction.⁹⁶ We then determine whether these

⁹⁰ 47 U.S.C. § 310(b)(4). The calculation of foreign ownership interests under section 310(b)(4) is a two-pronged analysis in which the Commission examines separately the equity interests and the voting interests in the licensee's direct or indirect parent. *See BBC License Subsidiary L.P.*, Memorandum Opinion and Order, 10 FCC Rcd 10968, 10973, ¶ 22 (1995) ("BBC License Subsidiary"). The Commission calculates the equity interest of each foreign investor in the parent and then aggregates these interests to determine whether the sum of the foreign equity interests exceeds the statutory benchmark. Similarly, the Commission calculates the voting interest of each foreign investor in the parent and aggregates these voting interests. *Id.* at 10972, ¶ 20, 10973-74, ¶¶ 22-25.

⁹¹ *See id.* at 10973-74, ¶ 25.

⁹² 47 U.S.C. § 310(b)(4).

⁹³ *Foreign Participation Order*, 12 FCC Rcd at 23896, ¶ 9, 23913, ¶ 50, 23940, ¶¶ 111-112. In evaluating an applicant's request for approval of foreign ownership interests under section 310(b)(4), the Commission uses a "principal place of business" test to determine the nationality or "home market" of foreign investors. *See Foreign Participation Order*, 12 FCC Rcd at 23941, ¶ 116 (citing *Market Entry and Regulation of Foreign-Affiliated Entities*, Report and Order, 11 FCC Rcd 3873, 3951, ¶ 207 (1995) ("Foreign Carrier Entry Order")).

⁹⁴ *Foreign Participation Order*, 12 FCC Rcd at 23913, ¶ 50, 23940, ¶¶ 111-112. The Commission stated, in the *Foreign Participation Order*, that it will deny an application if it finds that more than 25% of the ownership of an entity that controls a common carrier radio licensee is attributable to parties whose principal place(s) of business are in non-WTO Member countries that do not offer effective competitive opportunities to U.S. investors in the particular service sector in which the applicant seeks to compete in the U.S. market, unless other public interest considerations outweigh that finding. *See id.*, 12 FCC Rcd at 23946, ¶ 131.

⁹⁵ To determine a foreign entity's home market for purposes of the public interest determination under section 310(b)(4), the Commission will identify and balance the following factors: (1) the country of a foreign entity's incorporation, organization or charter, (2) the nationality of all investment principals, officers, and directors, (3) the country in which the world headquarters is located, (4) the country in which the majority of the tangible property, including production, transmission, billing, information, and control facilities, is located, and (5) the country from which the foreign entity derives the greatest sales and revenues from its operations. *Foreign Participation Order*, 12 FCC Rcd at 23941, ¶ 116 (citing *Foreign Carrier Entry Order*, 11 FCC Rcd at 3951, ¶ 207).

⁹⁶ Appendix B to this Memorandum Opinion and Order and Declaratory Ruling contains a post-consummation vertical ownership diagram for all of the Iridium licensees. As illustrated in that diagram, and as explained in (continued....)

foreign interests properly are ascribed to individuals or entities that are citizens of, or have their principal places of business in, WTO Member countries.

36. In calculating attributable alien equity interests in a parent company, the Commission uses a multiplier to dilute the percentage of each investor's equity interest in the parent company when those interests are held through intervening companies. The multiplier is applied to each link in the vertical ownership chain, regardless of whether any particular link in the chain represents a controlling interest in the company positioned in the next lower tier.⁹⁷ By contrast, in calculating alien voting interests in a parent company, the multiplier is not applied to any link in the vertical ownership chain that constitutes a controlling interest in the company positioned in the next lower tier.⁹⁸

37. Based on the information and representations submitted by the Applicants, and consistent with the foreign ownership case precedent discussed in this section, we calculate below the percentage of foreign equity and voting interests that will be held directly or indirectly in Iridium Holdings upon closing of the proposed transaction. We then examine whether these foreign equity and voting interests are properly ascribed to individuals that are citizens of, or entities that have their principal places of business in, WTO Member countries.

B. Attribution of Foreign Ownership Interests

38. We analyze first the foreign equity and voting interests that will be held directly in Iridium Holdings upon closing. As explained in Section II.B., Iridium Holdings will become a 99.45 percent direct and indirect subsidiary of GHQ, which will be renamed Iridium Communications.⁹⁹ GHQ will hold 51.68 percent of the equity and voting interests in Iridium Holdings directly, and it will hold an additional 47.77 percent indirectly, through two wholly-owned subsidiaries: Syncom Iridium Holdings Corp., a U.S.-organized holding company (13.12%), and Baralonco, N.V., a holding company organized in the Netherlands Antilles (34.65%).¹⁰⁰ We attribute to Baralonco, N.V. a 34.65 percent equity and voting interest in Iridium Holdings. We find that Baralonco, N.V. has its principal place of business in the United States or the Netherlands Antilles, which is a WTO Member country.¹⁰¹ In addition,

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Section II above, Iridium Carrier Services is and will remain a direct, wholly-owned subsidiary of Iridium Carrier Holdings. Upon consummation of the proposed transaction, Iridium Carrier Holdings will become a direct, wholly-owned subsidiary of Iridium Holdings, and Iridium Holdings will become a 99.45% direct and indirect subsidiary of GHQ, which will be renamed Iridium Communications. As detailed in Section IV.B below, direct and indirect foreign ownership interests in Iridium Holdings, in the aggregate, will exceed the 25% benchmark in section 310(b)(4) of the Act.

⁹⁷ See *BBC License Subsidiary*, 10 FCC Rcd at 10973-74, ¶¶ 24-25.

⁹⁸ See *id.* at 10973, ¶ 23; see also *Wilner & Scheiner I*, 103 FCC 2d at 522, ¶ 19. When evaluating foreign voting interests in the U.S. parent company of a common carrier licensee, it is possible that multiple investors will be treated as holding the same voting interest in a U.S. parent company where the investment is held through multiple intervening holding companies. Our purpose in identifying the citizenship of the specific individuals or entities that hold these interests is not to increase the aggregate level of foreign investment, but rather to determine whether any particular interest that a foreign investor proposes to acquire raises potential risks to competition or other public interest concerns, such as national security or law enforcement concerns. See *Foreign Participation Order*, 12 FCC Rcd at 23940-41, ¶¶ 111-15.

⁹⁹ See also *infra* Appendix B.

¹⁰⁰ See *id.*; see also Narrative at 4-5 n.5; June 2, 2009 Letter at 9 n.25.

¹⁰¹ See Narrative at 4-5 n.5; June 2, 2009 Letter at 2, 9 n.25. We find that Baralonco N.V.'s 34.65% indirect equity and voting interests will exceed the 19.538% equity and 20% voting interests that Baralonco N.V. is permitted to hold under the ruling issued to Iridium Carrier Services in the 2002 *Iridium Order*. Rather than issue a new declaratory ruling in this proceeding, however, we here modify Iridium Carrier Services' ruling, effective upon (continued....)

Applicants state that Fidelia Communications Inc. (“Fidelia”), a U.S. corporation that is ultimately wholly owned by a company organized and operating principally in Germany, will continue to hold directly the remaining 0.55 percent equity and voting interest in Iridium Holdings.¹⁰² We thus attribute to Fidelia, and its German-organized parent companies named in the record, a 0.55 percent equity and voting interest in Iridium Holdings. Based on the information in the record, we find that Fidelia has its principal place of business in the United States or, as is the case with its parent companies – E.ON US Holding, GmbH and E.ON AG – in Germany, which is a WTO Member country.¹⁰³

39. We next examine the foreign equity and voting interests that will be held indirectly in Iridium Holdings as a result of direct or indirect foreign investment in GHQ. Iridium Carrier Services’ largest foreign investor, Baralonco Limited, will become a shareholder of GHQ. It will hold no more than 16.55 percent of the equity and voting interests in GHQ and, in turn, in Iridium Holdings.¹⁰⁴ Baralonco Limited is a private investment company organized in the British Virgin Islands, a WTO Member country. Its sole beneficial owner is Mr. Khalid bin Abdullah bin Abdulrahman, a citizen of Saudi Arabia, which also is a WTO Member country. The *2002 Iridium Order* authorized Mr. bin Abdulrahman to hold 19.538 percent equity and 20 percent voting interests indirectly in Iridium Carrier Services.¹⁰⁵ Mr. bin Abdulrahman’s proposed 16.55 percent equity and voting interest in Iridium Holdings, and, in turn, in Iridium Carrier Services, is lower than the amount previously approved and therefore falls within the ambit of Iridium Carrier Services’ current ruling.¹⁰⁶

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closing of the transaction as described in the Application, specifically to approve the indirect foreign ownership of Iridium Carrier Services by Baralonco N.V. (up to and including 34.65% equity and voting interests).

¹⁰² According to the Applicants, Fidelia will not participate in the GHQ/Iridium transaction but will retain its direct interest of 0.55% in Iridium Holdings. *See June 15, 2009 Letter at 3.* Thus, the indirect equity interest of each owner of GHQ in Iridium Holdings will be 99.45% of such owner’s direct equity interest in Iridium Communications. In order to simplify our calculation of foreign equity interests, we will treat GHQ’s 99.45% ownership interest in Iridium Holdings as a 100% ownership interest. Although rounding up to 100% will have the effect of increasing slightly the foreign equity interests that we calculate will be held in Iridium Holdings upon closing, the slightly higher amounts do not affect our ultimate findings in this Memorandum Opinion and Order and Declaratory Ruling.

¹⁰³ *See Narrative at 15-16; June 2, 2009 Letter at 11-12; June 29, 2009 Letter.* The foreign ownership ruling issued in the *2002 Iridium Order* did not specifically approve indirect foreign ownership of Iridium Carrier Holdings by Fidelia. We find, however, that Fidelia’s 0.55% equity and voting interest will fall within the aggregate 25% amount permitted in the *2002 Iridium Order* for additional indirect foreign ownership of Iridium Carrier Services, even when aggregated with other additional indirect foreign ownership of Iridium Carrier Services. *See infra* Section IV.C.

¹⁰⁴ *See June 2, 2009 Letter at Attachment A.* The ownership percentages we use in this analysis represent the maximum percentages of foreign equity and voting interests that Applicants state will result from the proposed transaction. These percentages are based on the following conservative assumptions: (1) the maximum number of IPO shares of GHQ permitted under the certificate of incorporation are converted into cash by shareholders voting against the acquisition proposal; (2) none of the foreign stockholders of GHQ participate in the conversion; and (3) Greenhill Europe has not yet converted its note into common stock of Iridium Communications. *June 2, 2009 Letter at 11 n.28* (updating Narrative at 13-14 n.22).

¹⁰⁵ At that time, Saudi Arabia was not a WTO Member signatory. *See 2002 Iridium Order*, 17 FCC Rcd at 2282, ¶ 22.

¹⁰⁶ The ruling issued in the *2002 Iridium Order* did not authorize Baralonco Limited specifically to hold any indirect ownership interest in Iridium Carrier Services. Rather than issue a new declaratory ruling in this proceeding, however, we here modify Iridium Carrier Services’ ruling, effective upon closing of the transaction as described in the Application, specifically to permit Mr. Abdulrahman to hold his indirect ownership interest through his wholly-(continued....)

40. Applicants calculate that other foreign investment in GHQ and, in turn, in Iridium Holdings, will not exceed 12.78 percent equity and voting interests.¹⁰⁷ They calculate this additional, aggregate amount based on the foreign ownership of the following GHQ shareholders: GHQ's IPO Shareholders (6.95%); Greenhill (1.50%); Bareena Satellite, LLC (2.89%); Iridium Operations Services LLC (0.69%); and Creditors of Iridium LLC (0.75%).¹⁰⁸ We examine the Applicants' foreign ownership calculations and principal place of business analysis for each of these shareholders below.

41. *GHQ IPO Shareholders.* The "GHQ IPO Shareholders" received shares of GHQ in GHQ's initial public offering, as described in Section II.A.2. above.¹⁰⁹ GHQ is a publicly traded Delaware corporation whose shares are listed on the NYSE Amex.¹¹⁰ According to the Applicants, GHQ retained the services of the Altman Group, a firm experienced in proxy solicitation and shareholder identification, to determine the foreign ownership of GHQ shares issued in the initial public offering.¹¹¹ The Altman Group determined first that nearly all of the shares issued in the GHQ IPO are held in brokerage accounts on behalf of beneficial owners (commonly known as shares held in "street name").¹¹² The Altman Group then analyzed a database of the banks and brokerage firms holding shares in street name, as provided by the Depository Trust Company ("DTC").¹¹³ Over 99.9 percent of the IPO shares in the DTC database are held by banks and brokers that engage the services of Broadridge Financial Solutions, Inc. ("Broadridge") for shareholder communications.¹¹⁴ The Altman Group obtained data from Broadridge concerning the addresses of record of the beneficial owners of the GHQ shares identified in

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owned subsidiary company, Baralonco Limited. In addition, we note Applicants' representation that Mr. Abdulrahman currently holds his indirect ownership interest in Iridium Carrier Services through Baralonco Limited. See June 2, 2009 Letter at 2; *see also id.* at Appendix C. Because the 2002 ruling did not authorize specifically any investment by Baralonco Limited, its current indirect equity (19.54%) and voting (19.47%) interests in Iridium Carrier Services count against the aggregate 25% amount permitted under the ruling for additional foreign equity and/or voting interests. We cannot determine, based on the information in the record, whether these amounts, in combination with other existing foreign investment not specifically approved in the 2002 ruling, fall within the 25% amount. Accordingly, the modification of Iridium Carrier Services' ruling to accommodate the interests that Baralonco Limited will hold upon closing of the proposed transaction is without prejudice to any enforcement action by the Commission for non-compliance with the Act, amended, the Commission's rules, or the ruling issued in the *2002 Iridium Order*.

¹⁰⁷ *See* June 2, 2009 Letter at 9-11; *see also id.* at Attachment A.

¹⁰⁸ *Id.* at Attachment A.

¹⁰⁹ Greenhill and three U.S. citizens received shares of GHQ prior to the public offering. *See* June 2, 2009 Letter at 4-5, nn.3 & 4.

¹¹⁰ *See* June 2, 2009 Letter at 4.

¹¹¹ A copy of the Altman Group's report concerning the ownership of GHQ as of May 2009 is attached to the June 2, 2009 Letter as Attachment H.

¹¹² *See* June 2, 2009 Letter at 5 n.4 (explaining that, of the 40 million shares issued in the GHQ IPO, 32,500 shares are held by one registered shareholder); *id.*, Attachment H (reporting registered holders based on shareholder lists provided by the American Stock Transfer and Trust Company); *see also* June 29, 2009 Letter (correcting a discrepancy in the June 2, 2009 Letter which states, on page 6, that none of the IPO shares are held by registered shareholders).

¹¹³ June 2, 2009 Letter at 6.

¹¹⁴ *Id.* In the ordinary course, Broadridge collects and maintains address-of-record information for the purpose of sending proxy and other correspondence to the beneficial owners of these GHQ shares. *Id.* at 6 n.11.

the DTC database.¹¹⁵ Based on this information, we find that, as of May 2009, foreign individuals and entities from WTO Member countries hold, in the aggregate, 11.08 percent of the shares issued in the GHQ IPO.¹¹⁶ We are unable to determine from the record the citizenship of 0.17 percent of GHQ's IPO shareholders.¹¹⁷ Consistent with Commission precedent, we treat these unidentified shareholdings as non-WTO Member investment.¹¹⁸

42. In summary, we find, on the basis of the information submitted by the Applicants,¹¹⁹ that 11.08 percent of the shares issued in the GHQ IPO are properly ascribed to foreign investors from WTO Member countries and that 0.17 percent of the shares may be held by investors from non-WTO Member countries. We therefore find it reasonable to conclude that, upon consummation of the proposed transaction, foreign ownership of GHQ and, in turn, of Iridium Holdings by GHQ's foreign public shareholders will not exceed 6.95 percent equity and voting interests,¹²⁰ nearly all of which represents WTO Member investment.

¹¹⁵ To the extent any shares are held by a nominee, Broadridge obtained the beneficial owner information from the nominee. *Id.* We note that certain employees of Greenhill and certain employees' relatives purchased shares of GHQ in the IPO. These shares, which are held in street name, comprise 3.06% of GHQ shares issued in the IPO and are included in the Altman Group analysis of the GHQ IPO shareholders. *See June 15, 2009 Letter at 2.* GHQ confirmed the Altman Group findings as to the jurisdiction of these shareholders based upon Greenhill's knowledge regarding the citizenship of its employees and employees' relatives that purchased shares in the GHQ IPO. *See id.*

¹¹⁶ According to the Altman Group report, foreign-held shares comprise 4,433,326 of the 40,000,000 shares issued in the IPO (*i.e.*, 11.08%). *June 2, 2009 Letter at Attachment H.* The jurisdictions of GHQ's foreign IPO shareholders are listed in the *June 2, 2009 Letter, Attachment G (Ownership Information for GHQ Public Foreign Stockholders)*.

¹¹⁷ These unidentified shares consist of 35,295 shares held by banks and brokers that do not engage the services of Broadridge and 32,500 shares held by one registered shareholder (representing 0.09% and 0.08%, respectively, of the 40,000,000 shares issued in the IPO). *See June 2, 2009 Letter at Attachment H.* According to GHQ, the registered shareholder is a trust that is organized and has its principal place of business in New York but for which the beneficial owner could not be determined. *See June 29, 2009 Letter.* GHQ treated the 32,500 shares held by the trust as U.S.-owned. As a result, the percentage of foreign and unidentified ownership that GHQ calculates in its *June 2, 2009 Letter at 6* (11.20%, of which less than 1% represents unidentified ownership), is slightly lower than the percentage of foreign and unidentified ownership that we have calculated (11.25%, of which we find 0.17% to be unidentified ownership). We find this difference (0.05%) to be *de minimis* and therefore not material for purposes of our ultimate findings in this Memorandum Opinion and Order and Declaratory Ruling.

¹¹⁸ *See, e.g., Mobile Satellite Ventures Subsidiary LLC and SkyTerra Communications, Inc. Petition for Declaratory Ruling Under Section 310(b) of the Communications Act of 1934, as Amended; Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P. Petition for Expedited Action for Declaratory Ruling Under Section 310(b) of the Communications Act of 1934, as Amended, Order and Declaratory Ruling, FCC 08-77, 23 FCC Rcd 4436, 4457 Appendix B ¶ 15 n.95 (2008).*

¹¹⁹ *See Applications of Cellco Partnership d/b/a Verizon Wireless and Rural Cellular Corporation, WT Docket No. 07-208, Memorandum Opinion and Order and Declaratory Ruling, FCC 08-181, 23 FCC Rcd 12463, 12524, ¶¶ 147-149 (2008), recon. pending; Verizon-Alltel, 23 FCC Rcd at 17543-45, ¶¶ 227-229 (allowing Verizon Wireless to use address-of-record information for beneficial owners of Verizon Communications Inc. and Vodafone Group Plc. to confirm Verizon Wireless's compliance with its foreign ownership ruling).*

¹²⁰ *June 2, 2009 Letter at Attachment A.* As discussed in n.104, *supra*, all of the foreign ownership percentages used in this analysis, including the 6.95% amount, are based on the following conservative assumptions: (1) the maximum number of IPO shares of GHQ permitted under the certificate of incorporation are converted into cash by shareholders voting against the acquisition proposal, (2) none of the foreign stockholders of GHQ participate in the conversion; and (3) Greenhill Europe has not yet converted its note into common stock of Iridium Communications. *June 2, 2009 Letter at 11 n.28 (updating Narrative at 13-14 n.22).*

43. *Greenhill*. As discussed in Section II.A.2., Greenhill is a publicly traded independent investment bank incorporated in Delaware and listed on the New York Stock Exchange.¹²¹ Applicants state that Greenhill will hold a maximum 10.77 percent equity and voting interest in GHQ and, in turn, in Iridium Holdings.¹²² GHQ engaged the Altman Group to determine the foreign ownership of Greenhill shares.¹²³ The Altman Group utilized the same methodology to determine the citizenship of Greenhill shareholders as it used to determine the citizenship of GHQ's IPO shareholders.¹²⁴ Relying on address of record information for the beneficial owners of Greenhill shares, the Altman Group determined that, as of May 2009, foreign individuals or entities hold, in the aggregate, 13.9 percent of the issued and outstanding shares of Greenhill.¹²⁵ The report indicates that, of this amount, less than 0.2 percent of Greenhill's shares are held by citizens of non-WTO Member countries or by shareholders whose citizenship could not be determined.¹²⁶ We find it reasonable to conclude, on the basis of the information submitted by the Applicants, that foreign owners of Greenhill will hold no more than 1.5 percent (13.9% x 10.77%) of the equity and voting interests in GHQ and, in turn, in Iridium Holdings, nearly all of which is properly ascribed to WTO Member countries.

44. *Bareena Satellite, LLC*. Bareena Satellite, LLC ("Bareena") is a Delaware limited liability company. As a result of the proposed transaction, Bareena will hold a maximum 2.89 percent equity and voting interest in GHQ and, in turn, in Iridium Holdings.¹²⁷ Bareena is a long-time investor in the Iridium companies, and the Commission reviewed and approved its indirect foreign ownership of Iridium Carrier Services in the *2002 Iridium Order*.¹²⁸ Because its ownership has changed since 2002, the Applicants have submitted for the record a current principal place of business showing for Bareena. We find, on the basis of this showing, that Bareena continues to have its principal place of business in Australia, a WTO Member country.

45. *Iridium Operations Services LLC*. Iridium Operations Services, LLC ("Iridium

¹²¹ See *supra* ¶ 4.

¹²² June 2, 2009 Letter at Attachment A.

¹²³ June 2, 2009 Letter at 8.

¹²⁴ A copy of the Altman Group's report concerning the ownership of Greenhill as of May 2009 is attached to the June 2, 2009 Letter as Attachment I.

¹²⁵ June 2, 2009 Letter at 8 and Attachment I. Approximately 43% of Greenhill's shares are owned by registered shareholders (as opposed to being held in street name). According to GHQ, virtually all of Greenhill's registered shares are owned by employees of Greenhill, or by trusts, foundations, and other entities established by them for the benefit of family members or for estate planning or similar purposes. See June 15, 2009 Letter at 2. Based upon Greenhill's knowledge regarding the citizenship of its employees, GHQ has confirmed for the record the citizenship of nearly all its registered shareholders. According to GHQ, 12.62% of Greenhill's shares are held by foreign, registered shareholders that are citizens of WTO Member countries. *Id.* at 3. (GHQ states that Greenhill is not affiliated with, and therefore could not confirm, the citizenship of registered shareholders that constitute less than 0.01% of Greenhill stock.) GHQ's finding is generally consistent with the finding in the Altman Group report that 12.47% of Greenhill's shareholders are foreign individuals or entities. June 2, 2009 Letter at Attachment I.

¹²⁶ June 2, 2009 Letter at 8. The jurisdictions of Greenhill's foreign shareholders are listed in the June 2, 2009 Letter, Attachment E (Ownership Information for Greenhill Foreign Stockholders). See also *id.* at Attachment I. Applicants explain that of the jurisdictions listed on Attachment E, only Aruba and Monaco are not Members of the WTO.

¹²⁷ See June 2, 2009 Letter at Attachment A.

¹²⁸ *2002 Iridium Order*, 17 FCC Rcd at 2285, ¶ 29 (specifically approving 20.996% equity and 20% voting interests).

Operations") is a Delaware limited liability company established for the purpose of holding shares of the Iridium companies for Boeing employees.¹²⁹ Iridium Operations will hold a maximum 0.69 percent equity and voting interest in GHQ and, in turn, in Iridium Holdings.¹³⁰ One member of Iridium Operations is the Trust of Eeri Helde, a deceased Canadian national. This trust holds a 0.76 percent interest in Iridium Operations and is controlled by Gloria Helde, the widow of Eeri Helde.¹³¹ GHQ states that, to the best of Iridium's knowledge, Ms. Helde is also a Canadian national.¹³² Applicants represent that Iridium Operations' principal place of business is the United States. However, given the presence of the one foreign member, Applicants have treated Iridium Operations as foreign for purposes of calculating Iridium Carrier Services' post-transaction indirect foreign ownership. On the basis of this information, and out of an abundance of caution, we attribute 0.69 percent of Iridium Holdings' post-transaction equity and voting interests to Iridium Operations, which we find has its principal place of business in the United States.

46. *Creditors of Iridium LLC.* Creditors of Iridium collectively will hold a maximum 2.31 percent equity and voting interest in GHQ and, in turn, in Iridium Holdings.¹³³ Applicants have provided the place of incorporation of each creditor.¹³⁴ In the absence of more specific information as to the principal places of business of Iridium's creditors, and out of an abundance of caution, we treat the 2.31 interest that will be held collectively by Iridium's creditors as non-WTO Member investment in Iridium Holdings.

C. Summary of Section 310(b) Findings and Conclusion

47. Based on the record, we find that the maximum foreign equity and voting interests that will be held in Iridium Holdings by or through Fidelia (0.55%), the GHQ IPO Shareholders (6.95%), Greenhill (1.50%), Bareena Satellite, LLC (2.89%), Iridium Operations Services LLC (0.69%) and Creditors of Iridium LLC (2.31%) add up to 14.89 percent equity and voting interests. We note that the Applicants did not include in their analysis possible foreign ownership of Motorola, Inc., which will hold up to 0.46 percent equity and voting interests in GHQ and, in turn, in Iridium Holdings.¹³⁵ Even if we were to treat the entire 0.46 percent amount as foreign-owned, the maximum indirect foreign equity and voting interests attributable to these investors would be 15.35 percent — an amount well within the 25 percent allowance in the *2002 Iridium Order* for additional indirect foreign ownership of Iridium Carrier Services. We find that these foreign ownership interests comply with the conditions of the 2002 ruling and are otherwise consistent with the Commission's foreign ownership policies established in the *Foreign*

¹²⁹ Narrative at 15.

¹³⁰ June 2, 2009 Letter at Attachment A.

¹³¹ Narrative at 15.

¹³² GHQ states that, although Iridium has attempted to contact Ms. Helde to confirm her citizenship, it has not heard back from her. June 2, 2009 Letter at 11.

¹³³ June 2, 2009 Letter at Attachment A. On May 20, 2008, the U.S. Bankruptcy Court for the Southern District of New York approved the transfer of certain interests in Iridium Holdings to certain of Iridium's creditors. Narrative at 16.

¹³⁴ Applicants state that Iridium relied upon each creditor's W-9 or W-8ECI filings or, in some instances, Iridium relied upon its knowledge as to the creditor's place of incorporation. June 15, 2009 Letter at 2.

¹³⁵ The ruling issued in the *2002 Iridium Order* provides that foreign ownership of Motorola, Inc. shall be included for purposes of calculating the aggregate 25% amount permitted for additional indirect foreign ownership of Iridium Carrier Services. See *2002 Iridium Order*, 17 FCC Rcd at 2285, ¶ 29 n.94.

*Participation Order.*¹³⁶

48. We also find that Baralonco, N.V., which will hold a 34.65 percent equity and voting interest in Iridium Holdings, and Baralonco Limited, which will hold no more than 16.55 percent of the equity and voting interests in Iridium Holdings, have their principal places of business in WTO Member countries.¹³⁷ We here modify the declaratory ruling in the *2002 Iridium Order*, effective upon closing of the transaction as described in the Application, to authorize specifically the equity and voting interests that Baralonco, N.V. and Baralonco Limited will hold indirectly in Iridium Carrier Services.

49. Based on these findings, we conclude that Iridium Carrier Services is entitled to a rebuttable presumption that its indirect foreign ownership does not pose a risk to competition in the U.S. market, and we find no credible evidence in the record to rebut this presumption.¹³⁸ Thus, we conclude that the public interest would not be served by denying the Application due to indirect foreign ownership of Iridium Carrier Services that will result from the proposed transaction.

D. National Security, Law Enforcement and Public Safety Concerns

50. When analyzing a transfer of control or assignment application in which foreign investment is involved, we also consider any national security, law enforcement, foreign policy, or trade policy concerns raised by the Executive Branch Agencies.¹³⁹ The Executive Branch Agencies state in their Petition to Adopt Conditions that, based on discussions with representatives of the Applicants, they have concluded that the commitments set forth in the Executive Branch Agreement will help ensure that the Executive Branch Agencies and other responsible authorities can proceed appropriately to satisfy their responsibilities.¹⁴⁰ In addition, on April 14, 2009 the Applicants jointly filed a letter with the Commission expressly requesting that the Commission condition its consent of the Application on compliance by the Applicants with the terms of the Executive Branch Agreement and confirming that the Applicants will honor these commitments.¹⁴¹

51. Based on these representations as well as information provided to the Executive Branch Agencies by the Applicants, and analysis by the Executive Branch Agencies of potential national security, law enforcement and public safety issues, the Executive Branch Agencies advise that they have no objection to the grant of the Application provided the Commission conditions its consent on compliance by Iridium Holdings, Iridium Carrier Holdings and GHQ, and their respective subsidiaries and affiliates with the commitments set forth in the Executive Branch Agreement. Under Commission precedent, we defer to the Executive Branch's expertise on national security and law enforcement issues.¹⁴²

¹³⁶ See *supra* Section IV.A.

¹³⁷ See *supra* ¶¶ 38-39.

¹³⁸ See *supra* Section III.C.

¹³⁹ *Foreign Participation Order*, 12 FCC Rcd at 23918, ¶ 58; *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*, IB Docket No. 96-111, FCC 97-399, 12 FCC Rcd 24094, 24170, ¶ 178 (1997) ("Disco II Order").

¹⁴⁰ Petition to Adopt Conditions; Letter from Joanne P. Ongman, Attorney, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC (dated Dec. 23, 2008).

¹⁴¹ See April 14, 2009 Letter. According to the Petition to Adopt Conditions, the Executive Branch Agencies are authorized to state that the Applicants do not object to the grant of the Petition to Adopt Conditions. Petition to Adopt Conditions at 3.

¹⁴² See *Foreign Participation Order*, 12 FCC Rcd at 23918, ¶ 59, 23919-21, ¶¶ 61-66; *DISCO II Order*, 12 FCC Rcd 24094 at 24100, ¶ 15.

Accordingly, we condition the grant of the Application on compliance by Iridium Holdings, Iridium Carrier Holdings and GHQ, and their respective subsidiaries and affiliates with the commitments and undertakings set forth in Executive Branch Agreement dated August 17, 2001.¹⁴³

V. CONCLUSION

52. Upon review of the Application and the record in this proceeding, we conclude that approval of this transaction, subject to the conditions set forth herein, is in the public interest. There is no evidence in the record to suggest that GHQ lacks the basic qualifications to be the transferee of the licenses and authorizations currently held by Iridium 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 we deny Globalstar's petition to deny and Cornell's request for conditions for the reasons discussed above. We also grant the Executive Branch Agencies' Petition to Adopt Conditions and the request contained in the Applicants' April 14, 2009 Letter.

VI. ORDERING CLAUSES

53. Accordingly, having reviewed the subject Application, the petitions, and the record in this matter, IT IS 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), (j), 214, 309, 310(d), the Application for consent to transfer control of the licenses and authorizations from Iridium Holdings LLC and Iridium Carrier Holdings LLC to GHL Acquisition Corp. is GRANTED, to the extent specified and as conditioned in this Memorandum Opinion and Order and Declaratory Ruling.

54. IT IS FURTHER ORDERED, pursuant to section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(b)(4), that the declaratory ruling issued to Iridium Carrier Services in the *2002 Iridium Order*, Memorandum Opinion, Order and Authorization, 17 FCC Rcd 2271, 2285, ¶ 29 (Int'l Bur. 2002) (granting, with conditions, File No. ISP-PDR-20010319-00015), IS MODIFIED, effective upon closing of the transaction as described in the Application, specifically to approve the indirect foreign ownership of Iridium Carrier Services by Baralonco N.V. (up to and including 34.65% equity and voting interests) and by Baralonco Limited (up to and including 16.55% equity and voting interests).

55. IT IS FURTHER ORDERED that, pursuant to sections 4(i) and (j), 214, 309, and 310(b) and (d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214, 309, 310(b), 310(d), the Petition to Adopt Conditions on Transfer of Control filed by the U.S. Department of Justice, including the Federal Bureau of Investigation, with the concurrence of the Department of Homeland Security on July 30, 2009, and the Applicants' request contained in the April 14, 2009 Letter ARE GRANTED. Grant of the subject Application and the declaratory ruling IS CONDITIONED UPON compliance by Iridium Holdings LLC, Iridium Carrier Holdings LLC, and GHL Acquisition Corp., and their respective subsidiaries and affiliates with the commitments and undertakings set forth in the Executive Branch Agreement dated August 17, 2001, attached to the *2002 Iridium Order*, Memorandum Opinion, Order and Authorization, 17 FCC Rcd 2271 as Appendix A.

56. IT IS FURTHER ORDERED that the above grant shall include authority for GHL Acquisition Corp. to acquire control of any license or authorization issued to Iridium or its subsidiaries during the Commission's consideration of the Application or the period required for consummation of the transaction following approval and issuance of this Memorandum Opinion and Order and Declaratory

¹⁴³ The Agreement is attached to the *2002 Iridium Order* as Appendix A; *see supra* n.2 and ¶ 13. The Petition to Adopt Conditions is attached to this Memorandum Opinion and Order as Appendix C.

Ruling.¹⁴⁴

57. IT IS FURTHER ORDERED that, pursuant to sections 4(i) and (j), 309, and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), (j), 309, 310(d), the Petition to Deny filed by Globalstar Licensee LLC IS DENIED for the reasons stated herein.

58. IT IS FURTHER ORDERED that this Memorandum Opinion and Order and Declaratory Ruling 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 30 days of the date of public notice of this Memorandum Opinion and Order and Declaratory Ruling.

FEDERAL COMMUNICATIONS COMMISSION

John V. Giusti
Acting Chief, International Bureau

¹⁴⁴ See *supra* n.45

APPENDIX A**Authorizations and Licenses Included in the Transfer of Control Application****I. INTERNATIONAL 214 AUTHORIZATIONS****A. International Facilities-Based and Resale Services:**

<u>File Number:</u>	<u>Authorization Holder:</u>	<u>Authorization Number:</u>
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International Facilities-Based and Resale Services:

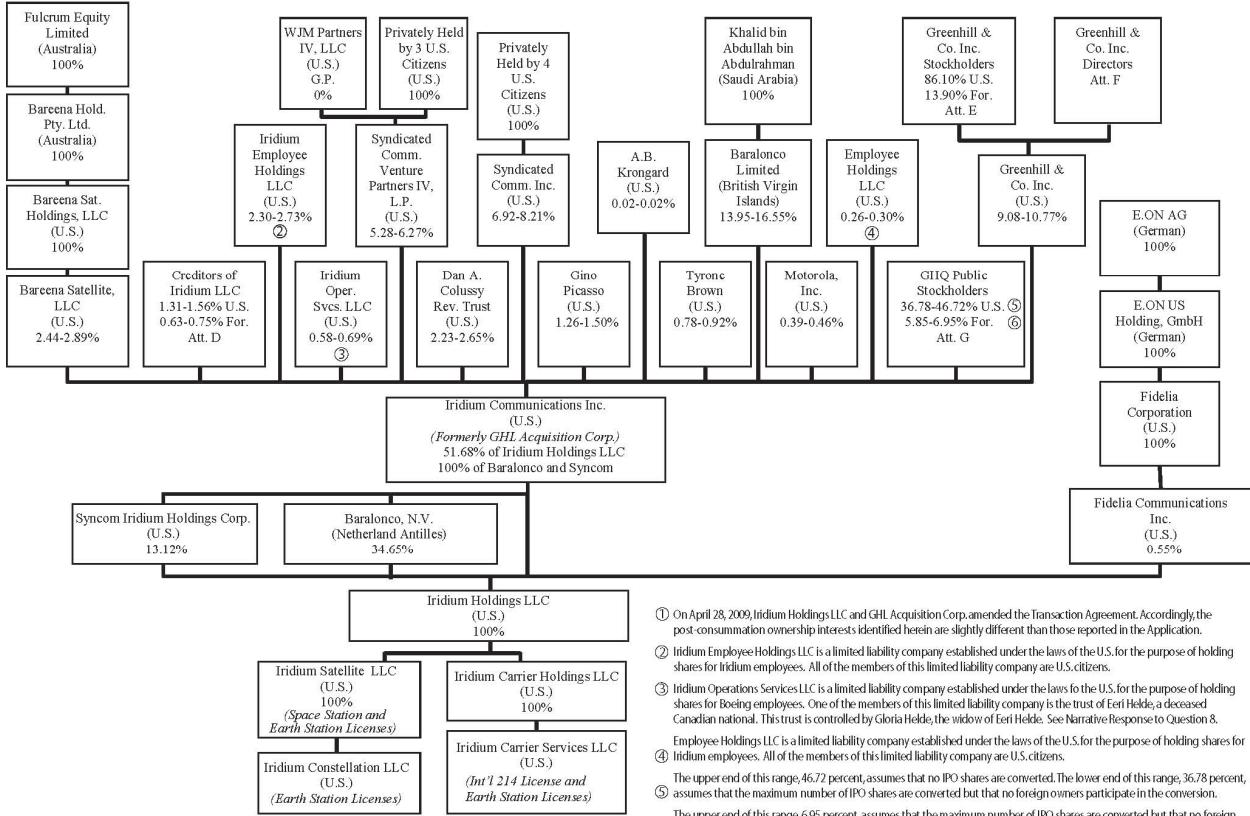
ITC-T/C-20081021-00471	Iridium Carrier Services LLC	ITC-214-19971105-00686
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II. SECTION 310(D) APPLICATIONS**A. Part 25-Satellite Earth and Space Station Applications**

<u>File No.</u>	<u>Licensee</u>	<u>Call Signs</u>
SES-T/C-20081021-01353	Iridium Carrier Services LLC	E960622
SES-T/C-20081021-01350	Iridium Satellite LLC	E960132
SES-T/C-20081021-01351	Iridium Satellite LLC	E050282, E060300 E960131
SES-T/C-20081021-01352	Iridium Constellation LLC	E960244, E960272 E030162, E010193
SAT-T/C-20081021-00208	Iridium Constellation LLC	S2110

APPENDIX B

Post-Consummation Vertical Ownership Diagram for All Iridium Licensees



① On April 28, 2009, Iridium Holdings LLC and GHL Acquisition Corp. amended the Transaction Agreement. Accordingly, the post-consummation ownership interests identified herein are slightly different than those reported in the Application.

② Iridium Employee Holdings LLC is a limited liability company established under the laws of the U.S. for the purpose of holding shares for Iridium employees. All of the members of this limited liability company are U.S. citizens.

③ Iridium Operations Services LLC is a limited liability company established under the laws of the U.S. for the purpose of holding shares for Boeing employees. One of the members of this limited liability company is the trust of Feil Helde, a deceased Canadian national. This trust is controlled by Gloria Helde, the widow of Feil Helde. See Narrative Response to Question 8.

④ Iridium Holdings LLC is a limited liability company established under the laws of the U.S. for the purpose of holding shares for Iridium employees. All of the members of this limited liability company are U.S. citizens.

⑤ The upper end of this range, 46.72 percent, assumes that no IPO shares are converted. The lower end of this range, 36.78 percent,

⑥ Iridium employees. One of the members of this limited liability company is the trust of Feil Helde. See Narrative Response to Question 8.

⑦ The upper end of this range, 6.95 percent, assumes that the maximum number of IPO shares are converted but that no foreign owners participate in the conversion.

⑧ The upper end of this range, 6.95 percent, assumes that the maximum number of IPO shares are converted but that no foreign

APPENDIX C
Executive Branch Agencies Petition to Adopt Conditions

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

In the Matter of)
IRIDIUM HOLDINGS, LLC and) IB Docket No. 08-232
IRIDIUM CARRIER HOLDINGS LLC,) DA No. 08-2574
Transferors,)
and) File Nos.
GHL ACQUISITION CORP.,) ITC-T/C-20081021-00471
Transferee,) SAT-T/C-20081021-00208
for Consent to Transfer Control of) SES-T/C-20081021-01350
Iridium Carrier Services LLC, Iridium Satellite LLC) SES-T/C-20081021-01351
and Iridium Constellation LLC) SES-T/C-20081021-01352
Pursuant to Sections 214 and 310(d)) SES-T/C-20081021-01353
of the Communications Act of 1934)

**PETITION TO ADOPT CONDITIONS
ON TRANSFER OF CONTROL**

Pursuant to Section 1.41 of the Federal Communications Commission's ("Commission") rules,¹ the Department of Justice ("DOJ"), including the Federal Bureau of Investigation ("FBI"), with the concurrence of the Department of Homeland Security ("DHS"), (collectively, the "Executive Agencies"), hereby submit this Petition to Adopt Conditions on the above-referenced applications for transfer of control of certain licenses and Section 214 authorizations ("Petition"). Through this Petition, the Executive Agencies advise the Commission that they have no objection to the Commission consenting to the captioned transfer of control, provided that the Commission conditions its consent on the agreement of Iridium Holdings LLC, Iridium Carrier Holdings LLC (together with Iridium Holdings LLC, "Iridium") and GHL Acquisition Corp. ("GHQ"), and their respective subsidiaries and affiliates (the "Applicants"), to abide by the commitments and undertakings set forth in the Agreement dated August 17, 2001 (the "NSA"), previously filed with the Commission in File No. SAT-ASG-20010319-00025,

¹ 47 C.F.R. § 1.41.

between Iridium Holdings LLC, Iridium Satellite LLC, Iridium Carrier Holdings LLC and Iridium Carrier Services, LLC (the "Iridium NSA Parties") on the one hand, and DOJ and the FBI on the other.

In the captioned matter submitted in October 2008, the Applicants seek approval of applications filed pursuant to the Communications Act of 1934, as amended ("Act") for consent to the transfer of control of certain wireless and satellite licenses and international Section 214 authorizations ("Licenses"), together with certain other assets, from Iridium to GHQ. As the Commission is aware, the Executive 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 to the extent that foreign entities own or operate a part of the U.S. telecommunications system, or foreign-located facilities are used to provide domestic telecommunications services to U.S. customers. The Commission has long recognized that national security, law enforcement, and public safety issues and concerns are part of its public interest analysis in matters such as this,² and has accorded deference to the views of other U.S. government agencies with expertise in those areas.³

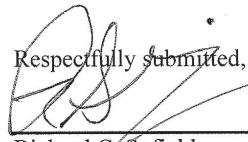
As noted above, the NSA has been in place since August 2001 to help to ensure that the Executive Agencies and other entities with responsibility for enforcing the law, protecting the national security, and preserving public safety can proceed appropriately to satisfy those responsibilities. After discussions with representatives of the Applicants, the Executive Agencies have concluded that the commitments set forth in the NSA will help to ensure that the Executive Agencies and other responsible authorities can proceed appropriately to satisfy their responsibilities. In addition, on April 14, 2009, the Applicants jointly filed a letter with the FCC expressly requesting that the FCC condition its consent to the transfer of control of each of the Licenses on compliance by the Applicants with the terms of the NSA and confirming that the Applicants will honor these

² See *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21 ¶¶ 61-66 (1997) ("Foreign Participation Order"); see also *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, 24100 ¶ 15 (1997) ("DISCO II").

³ See *Foreign Participation Order* at 23919-20 ¶ 62-63; see also *DISCO II* at 24179-80 ¶¶ 179-80.

commitments. Based on these representations, as well as information provided to the Executive Agencies by the Applicants, and analysis by the Executive Agencies of potential national security, law enforcement and public safety issues, the Executive Agencies hereby advise the Commission that they have no objection to the Commission consenting to the captioned transfer of control applications, provided that the Commission conditions its consent on compliance by the Applicants with the commitments set forth in the NSA.

The Executive Agencies are authorized to state that the Applicants do not object to the grant of this Petition.


Respectfully submitted,

Richard C. Sofield
Director
Foreign Investment Review Staff
National Security Division
United States Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, DC 20530

July 30, 2009

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of July, 2009, I caused a true and correct copy of the foregoing PETITION TO ADOPT CONDITIONS ON TRANSFER OF CONTROL to be served via electronic mail delivery to each of the following parties:

Howard Griboff (via email at howard.griboff@fcc.gov)
Best Copy and Printing, Inc. (via email at fcc@bcpiweb.com)
Francis Gutierrez (via email at francis.gutierrez@fcc.gov)
Jodi Cooper(via email at jodi.cooper@fcc.gov@fcc.gov)
Karl Kensinger (via email at karl.kensinger@fcc.gov)
Neil Dellar (via email at neil.dellar@fcc.gov)
John B. Reynolds, III (via email at jreynolds@wileyrein.com)

/s/ Joanne P. Ongman
Joanne P. Ongman