**Before the**

Federal Communications Commission

Washington, D.C. 20554

|  |  |  |
| --- | --- | --- |
| In the Matter ofIntelsat S.A., as debtor-in-possession, (Transferor)and New TopCo S.A. (Transferee) | **)****)****)****)****)****)****)****)** | IB Docket No. 21-375 |

Order

**Adopted: February 16, 2022 Released: February 16, 2022**

By the Chief, International Bureau; and the Acting Chiefs, Wireless Telecommunications Bureau and Office of Engineering and Technology:

# INTRODUCTION

1. In this Order, the International Bureau, Wireless Telecommunications Bureau, and Office of Engineering and Technology grant the requests of Intelsat S.A., as debtor-in-possession (Intelsat DIP), and New TopCo S.A. (Restructured Intelsat) (together, the Applicants),[[1]](#footnote-3) for consent to the assignment and transfer of control of authorizations under a plan for emergence of Intelsat DIP from Chapter 11 bankruptcy subject to the conditions set out herein.[[2]](#footnote-4)

# BACKGROUND

## The Applicants and the Transaction

1. Intelsat DIP is a satellite-service provider whose administrative headquarters is in McLean, Virginia, and corporate headquarters in Luxembourg.[[3]](#footnote-5) It offers voice, video, and data services to customers including media companies, Internet service providers, and the U.S. government using its network of satellites, earth stations, and other connectivity infrastructure.[[4]](#footnote-6)
2. On May 13, 2020, Intelsat DIP and several of its subsidiaries, including Commission license holders, commenced voluntary cases under Chapter 11 of the U.S. Bankruptcy Code.[[5]](#footnote-7) On December 16, 2021, the bankruptcy court approved a plan submitted by Intelsat DIP for emerging from bankruptcy.[[6]](#footnote-8) The plan repays secured debt obligations using a new financing facility and converts approximately $8 billion of unsecured funded debt to equity interests, leaving approximately $7.125 billion of funded debt and a revolving credit facility with up to $500 million of availability.[[7]](#footnote-9)
3. Intelsat DIP plans to emerge from bankruptcy with a new ultimate parent company, Restructured Intelsat, a Luxembourg company that would be privately held by the creditors receiving equity in Restructured Intelsat as a result of the restructuring plan.[[8]](#footnote-10) Pacific Investment Management Company LLC (PIMCO), a Delaware limited liability company serving as the investment advisor for its managed funds, would indirectly hold approximately 32.8% of the voting and equity interests in Restructured Intelsat.[[9]](#footnote-11) The ultimate parent of PIMCO is Allianz SE, a German company.[[10]](#footnote-12) Other than companies in the PIMCO ownership chain, the Applicants expect that no other shareholder would directly or indirectly hold 10% or more of the voting or equity interests in Restructured Intelsat.[[11]](#footnote-13)

## Intelsat and ITSO

1. Intelsat License LLC, as debtor-in-possession, (Intelsat License DIP) is a successor to INTELSAT, an intergovernmental organization created in 1973 to operate a global commercial telecommunications system.[[12]](#footnote-14) In 2001, INTELSAT was privatized.[[13]](#footnote-15) In connection with its privatization, the company entered into a Public Services Agreement with the International Telecommunications Satellite Organization (ITSO).[[14]](#footnote-16) Through the Public Services Agreement, ITSO supervises the company’s compliance with its public service obligations, called “core principles.”[[15]](#footnote-17) The Public Services Agreement also governs funding of ITSO by the company.[[16]](#footnote-18) Any dispute arising out of the Public Services Agreement that is not resolved through negotiation between the company and ITSO “shall be settled by arbitration.”[[17]](#footnote-19)
2. Intelsat space station licenses[[18]](#footnote-20) are conditioned upon the company remaining a signatory to the Public Services Agreement.[[19]](#footnote-21) In addition, no entity will be considered a successor-in-interest to the original signatory to the Public Services Agreement under the ITSO Agreement for licensing purposes unless it has undertaken to perform the obligations of the Public Services Agreement.[[20]](#footnote-22) These conditions are intended to ensure compliance with the ITSO Agreement to which the United States is a party.[[21]](#footnote-23) They “are not intended to serve as an enforcement mechanism for the Public Services Agreement between ITSO and Intelsat or in any way to modify the contractual relationship between Intelsat and ITSO.”[[22]](#footnote-24)

## Application Review Process

1. The Applications were accepted for filing on September 24, 2021.[[23]](#footnote-25) The Chair of the Assembly of Parties of ITSO (ITSO Chair) filed comments,[[24]](#footnote-26) and Intelsat License DIP filed reply comments.[[25]](#footnote-27)
2. The ITSO Chair’s comments relate to an ongoing disagreement over funding of ITSO under the Public Services Agreement. The ITSO Chair describes particular difficulties that ITSO experienced because of uncertainties caused by the bankruptcy proceeding.[[26]](#footnote-28) The ITSO Chair also states that, since June 2021, only “insufficient funding” has been offered on “totally unacceptable” terms which has resulted in the current lack of a funding agreement for ITSO.[[27]](#footnote-29) The ITSO Chair argues that this proceeding must confirm Intelsat’s obligations in the Public Services Agreement, “including funding [ITSO] at appropriate levels and on reasonable terms.”[[28]](#footnote-30) The ITSO Chair relates a request of the ITSO Assembly of Parties in August 2020 to “‘the U.S. and U.K. Notifying Administrations (a) to endeavor to ensure that Intelsat remains party to a [Public Services Agreement] with ITSO, consistent with applicable domestic procedures of the respective Parties; and (b) to approve conditioning the execution of any new [Public Services Agreement] with post-bankruptcy Intelsat on the payment of all outstanding obligations accrued by ITSO prior thereto, taking into consideration the national regulations of the Notifying Administrations.’”[[29]](#footnote-31) Finally, the ITSO Chair requests that the Commission note that the transfer of control “will be subject to confirmation by the Assembly of Parties of ITSO.”[[30]](#footnote-32)
3. In reply comments, Intelsat License DIP argues that approval of the Applications will not affect its existing license conditions related to ITSO, the terms of the Public Services Agreement, or its adherence to the “core principles” of non-discriminatory access to the Intelsat system and global connectivity and coverage.[[31]](#footnote-33) Intelsat License DIP notes that Intelsat’s obligation under the Public Services Agreement to fund ITSO is subject to negotiation, and describes its perspective on difficulties in arriving at agreement on a reasonable funding amount.[[32]](#footnote-34) Intelsat License DIP contends that the ITSO Chair’s requests are not related to the Applications or Intelsat DIP’s emergence from bankruptcy and therefore there is no basis in the Act or the Commission’s rules to adopt conditions on the points raised by ITSO.[[33]](#footnote-35) Intelsat License DIP urges the Commission not to become involved in a contract dispute.[[34]](#footnote-36)
4. Both the ITSO Chair and Intelsat License DIP note that arbitration between the parties, not a U.S. domestic proceeding, “was supposed to be the sole mechanism for resolving issues arising under the [Public Services Agreement].”[[35]](#footnote-37)
5. *National Security, Law Enforcement, Foreign Policy and Trade Policy Review.* Pursuant to Commission practice, the Applications were referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign ownership of Restructured Intelsat.[[36]](#footnote-38) On September 30, 2021, the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee) notified the Commission that it was reviewing the Applications for any national security and law enforcement concerns that may be raised by foreign participation in the United States telecommunications services sector and requested that the Commission defer action on the Applications.[[37]](#footnote-39) We deferred action on the Applications in response to this request from the Committee. Subsequently, on October 20, 2021, the Committee notified the Commission that the Applicants provided complete responses to the Committee’s initial questions and that it was conducting its review to assess whether granting the Applications would pose a risk to the national security or law enforcement interests of the United States.[[38]](#footnote-40) On February 2, 2022, the National Telecommunications and Information Administration (NTIA) submitted a Petition to Adopt Conditions on behalf of the Committee (Committee Petition).[[39]](#footnote-41) In this filing the Committee advised the Commission that it has no objection to grant of the Applications, provided that the Commission condition its approval on the assurance of Intelsat S.A. to abide by the commitments and undertakings set forth in the January 18, 2022, Letter of Agreement setting forth the commitments that Intelsat S.A., New TopCo S.A., and Intelsat S.A. subsidiaries make to the Department of Justice, including the Federal Bureau of Investigation, the Department of Homeland Security and the Department of Defense (LOA).[[40]](#footnote-42)

# DISCUSSION

1. *Standard of Review.* Under sections 214(a) and 310(d) of the Communications Act of 1934, as amended (the Act) we must determine whether the proposed transfer of control of authorizations from Intelsat DIP to Restructured Intelsat will serve the public interest, convenience, and necessity.[[41]](#footnote-43) In making this determination, we first assess whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission’s rules.[[42]](#footnote-44) If the transaction does not violate a statute or rule, we consider whether the transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.[[43]](#footnote-45) We then employ a balancing test weighing any potential public interest harms of the proposed transaction against any potential public interest benefits.[[44]](#footnote-46) The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.[[45]](#footnote-47)
2. *Overall Analysis.* After review of the Applications and the record, we conclude that grant of the Applications will serve the public interest. It is the Commission’s longstanding practice to “support the bankruptcy laws, and where possible to accommodate them in a manner that is consistent with the Act.”[[46]](#footnote-48) Facilitating prompt emergence from bankruptcy “advances the public interest by providing economic and social benefits, especially including the compensation of innocent creditors.”[[47]](#footnote-49) The public interest is further served because prompt emergence from bankruptcy is critical to the continued operation of authorized stations.[[48]](#footnote-50)
3. Granting the Applications would not violate any statute or Commission rule, and we find that the Applicants are qualified to hold Commission licenses.[[49]](#footnote-51) The Applicants argue that grant would provide for a new capital structure that would help reduce its debt and allow for continued service to customers, without creating competitive harms.[[50]](#footnote-52) These claims are unchallenged, and we find that emergence from bankruptcy under the court-approved restructuring plan presents no substantial harms.
4. *ITSO Conditions.* Emergence from bankruptcy should also alleviate difficulties identified by the ITSO Chair as resulting from the bankruptcy proceeding.[[51]](#footnote-53) The company will have a more stable financial and legal position than previously, and the ITSO Chair does not raise any concerns specific to the restructuring plan or the associated ownership changes. The space station license conditions related to ITSO will continue to apply, as they continued to apply through the Intelsat transfer of control approved in 2012.[[52]](#footnote-54) These existing conditions, together with the fact that the Public Services Agreement between Intelsat License DIP and ITSO remains in effect and will not be among the contracts rejected as part of the bankruptcy process,[[53]](#footnote-55) satisfy the first request of the ITSO Assembly of Parties that Intelsat remain party to a Public Services Agreement. Regarding its second request, concerning repayment of incurred ITSO obligations, the Applicants do not present a new or modified Public Services Agreement as part of this application, and are not seeking approval for any such changes in this application. The ITSO-related conditions on Intelsat licenses have been in place for over a decade and will continue to ensure compliance with the ITSO Agreement, which provides, in part, that ITSO funding shall be obtained “through the Public Services Agreement.”[[54]](#footnote-56) These conditions support the ITSO Agreement, the Public Services Agreement, ongoing discussions between the parties and, if necessary, the dispute resolution mechanism provided by the Public Services Agreement, which both parties recognize is arbitration.[[55]](#footnote-57) Although the ongoing controversy is understandably a matter of concern for the ITSO membership, the ITSO-related conditions on Intelsat space station licenses are not an additional enforcement mechanism for the Public Services Agreement between ITSO and Intelsat.[[56]](#footnote-58) Indeed, it is long-standing Commission policy not to involve itself with particular contract disputes, and we do not depart from that policy here.[[57]](#footnote-59) However, consistent with the Commission‘s licensing authorities, in the event that Intelsat does not continue to remain in compliance with these existing licensing conditions the Commission can take appropriate licensing action. With respect to the ITSO Chair’s request that the Commission note that the transaction will be subject to confirmation by the ITSO Assembly of Parties, we note that Article 11 of the Public Services Agreement states that “[n]o party to this [Public Services Agreement] may assign any of its rights or obligations under this [Public Services Agreement] without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.” On the assumption that the emergence from bankruptcy triggers an assignment within the meaning of the Public Services Agreement, and given the current status of the Public Services Agreement negotiations, it is expected that completion of any necessary steps related to this provision may occur at a later date.
5. *National Security, Law Enforcement, Foreign Policy and Trade Policy Issues*. When analyzing a transfer of control or assignment application that includes foreign investment, we also consider public interest issues related to national security, law enforcement, foreign policy, or trade policy concerns.[[58]](#footnote-60) As part of our public interest analysis, the Commission coordinates with the relevant Executive Branch agencies that have expertise in these particular issues.[[59]](#footnote-61) The Commission accords deference to the expertise of these Executive Branch agencies in identifying issues related to national security, law enforcement, foreign policy, or trade policy concerns raised by the agencies.[[60]](#footnote-62)  The Commission, however, ultimately makes an independent decision on the application based on the record in the proceedings.[[61]](#footnote-63)
6. The Committee has reviewed the Applications and stated it has no objection to the Commission granting the Applications, provided it conditions the grant on compliance with the LOA. In accordance with the Committee’s request, and in the absence of any objection from the Applicants, we grant the Committee Petition, and, accordingly, we condition grant of the Applications on compliance by the Applicants with the commitments and undertakings set out in the LOA.[[62]](#footnote-64) A failure to comply with and/or remain in compliance with any of the provisions of the LOA shall constitute a failure to meet a condition of this grant and the underlying authorizations and thus grounds for declaring the underlying authorizations terminated without further action on the part of the Commission. Failure to meet a condition of this grant and the authorizations may also result in monetary sanctions or other enforcement action by the Commission.

# CONCLUSION AND ORDERING CLAUSES

1. Upon review of the Applications and the record, we conclude that grant of the Applications serves the public interest, convenience, and necessity.[[63]](#footnote-65)
2. Accordingly, IT IS ORDERED, pursuant to sections 4(i) and (j), 214, 303(r), 309, and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214, 303(r), 309, 310(d), and sections 1.948(c), 1.40001-04, 5.79, 25.119, 25.137(g), 63.18, 63.24, of the Commission’s rules, 47 CFR §§ 1.948(c), 1.40001-04, 5.79, 25.119, 25.137(g), 63.18, 63.24, and pursuant to the authority delegated under sections 0.31, 0.51, 0.131, 0.241, 0.261, and 0.331 of the Commission’s rules, 47 CFR §§ 0.31, 0.51, 0.131, 0.241, 0.261, 0.331, that the Applications of Intelsat DIP and Restructured Intelsat for Consent to the Assignment and Transfer Control of Authorizations ARE GRANTED to the extent specified and as conditioned in this Order.
3. IT IS FURTHER ORDERED that, pursuant to sections 4(i) and (j), 214, 303(r), 309, and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214, 303(r), 309, 310(d), and sections 0.241, 0.261, 0.331, 1.948(c), 1.40001-04, 5.79, 25.119, 25.137(g), 63.18, 63.24, of the Commission’s rules, 47 CFR §§ 0.241, 0.261, 0.331, 1.948(c), 1.40001-04, 5.79, 25.119, 25.137(g), 63.18, 63.24, the Petition to Adopt Conditions filed by the National Telecommunications and Information Administration on February 2, 2022, IS GRANTED. Grant of the Applications IS CONDITIONED UPON compliance by Intelsat S.A. with the commitments and undertakings set forth in the January 18, 2022, letter from Michelle Bryan, General Counsel and Chief Administrative Officer, Intelsat S.A., to Chief, Foreign Investment Review Section (FIRS), Deputy Chief, Compliance and Enforcement (FIRS), On Behalf of the Assistant Attorney General for National Security, Department of Justice, National Security Division, Under Secretary Robert Silvers, Office of Strategy, Policy, and Plans, Department of Homeland Security, and Office of Foreign Investment Review, Director Under Secretary of Acquisitions and Sustainment, Department of Defense (LOA). A failure to comply with and/or remain in compliance with any of the provisions of the LOA shall constitute a failure to meet a condition of this grant and the underlying authorizations and thus grounds for declaring the underlying authorizations terminated without further action on the part of the Commission. Failure to meet a condition of this grant and the authorizations may also result in monetary sanctions or other enforcement action by the Commission.
4. IT IS FURTHER ORDERED that, pursuant to sections 4(i) and (j), 303(r), 309, and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 303(r), 309, 310(d) and sections 0.261 and 25.119 of the Commission’s rules, 47 CFR §§ 0.261, 25.119, that the conditions specified in paragraph 13 of *Petition of the International Telecommunications Satellite Organization under Section 316 of the Communications Act, as Amended*, Order of Modification, 23 FCC Rcd 2764, 2770-71 (IB 2008), SHALL CONTINUE TO APPLY to licenses that include such conditions prior to emergence from bankruptcy.
5. IT IS FURTHER ORDERED that the above grant shall include authority for Restructured Intelsat to acquire control of: (a) any Intelsat DIP licenses and authorizations that may have been inadvertently omitted from the Applications; (b) any licenses and authorizations issued to Intelsat DIP or its subsidiaries during the Commission’s consideration of the Applications or during the period required for consummation of the transaction following approval; and (c) any applications that have been filed by Intelsat DIP or its subsidiaries and that are pending at the time of consummation.
6. IT IS FURTHER ORDERED that this Order SHALL BE EFFECTIVE upon release, in accordance with section 1.103 of the Commission’s rules, 47 CFR § 1.103.

FEDERAL COMMUNICATIONS COMMISSION

Thomas P. Sullivan

Chief

International Bureau

Joel D. Taubenblatt

Acting Chief

Wireless Telecommunications Bureau

Ronald T. Repasi

Acting Chief

Office of Engineering and Technology

**ATTACHMENT**

**Part 5 – Experimental Licenses**

File Number Licensee Call Sign

0013-EX-AU-2021 Intelsat License LLC WL2XTQ

0014-EX-AU-2021 Intelsat US LLC, WL2XHT

as debtor-in-possession

0032-EX-TU-2021 Intelsat Inflight Licenses LLC WF2XMC

**Part 25 – Space Station Licenses**

File Number Licensee Lead Call Sign

SAT-ASG-20210826-00117 Intelsat License LLC, S2154

as debtor-in-possession

SAT-ASG-20210827-00118 Intelsat License LLC, S2385

as debtor-in-possession

SAT-T/C-20210826-00114 Horizons-3 License LLC S2947

**Part 25 – Space Station Market Access Grants**

File Number Grantee Call Sign

SAT-MPL-20210826-00113 Horizons-1 Satellite LLC S2475

SAT-MPL-20210826-00115 Intelsat License LLC, S3058

as debtor-in-possession

SAT-MPL-20210826-00116 Intelsat License LLC, S2592

as debtor-in-possession

**Part 25 – Earth Station Licenses**

File Number Licensee Lead Call Sign

SES-ASG-20210907-01540 Intelsat License LLC, E050169

as debtor-in-possession

SES-ASG-20210907-01541 Intelsat License LLC, E000049

as debtor-in-possession

SES-ASG-20210907-01542 Intelsat License LLC, E070234

as debtor-in-possession

SES-T/C-20210827-01539 Intelsat Inflight Licenses LLC E120106

SES-T/C-20210827-01543 Intelsat Inflight Licenses LLC E150104

**Part 25 – Earth Station Receive-Only Registrations**

File Number Registrant Lead Call Sign

SES-ASG-20210826-01513 Intelsat License LLC, E010334

as debtor-in-possession

**Part 63 – International Section 214 Authorization**

The application for consent to the transfer of control of an international section 214 authorization has been assigned the file number listed below.

File Number Authorization Holder Authorization Number

ITC-T/C-20210907-00131 Intelsat General ITC-MOD-20050329-

Communications LLC 00170

**Part 90 – Private Land Mobile Radio License**

File Number Licensee Call Sign

0009684601 Intelsat License LLC, WQSW724

as debtor-in-possession

1. *See* Application for Assignment of Authorizations held by Intelsat License, as debtor-in-possession, Narrative, IBFS File No. SAT-ASG-20210826-00117 (filed Aug. 26, 2021) (Narrative). The full list of applications (Applications) is set forth in the Attachment. [↑](#footnote-ref-3)
2. *See* 47 U.S.C. §§ 214, 310(d); *see also* 47 CFR §§ 1.948(c), 5.79, 25.119, 25.137(g), 63.24. [↑](#footnote-ref-4)
3. *See* Narrative at 1. [↑](#footnote-ref-5)
4. *See id.* [↑](#footnote-ref-6)
5. *Id.*; *see also, e.g.*, IBFS File No. SAT-ASG-20200522-00048. [↑](#footnote-ref-7)
6. *See* *In re Intelsat S.A.*, Ch.11, Case No. 20-32299-KLP (Bankr. E.D. Va.). [↑](#footnote-ref-8)
7. Narrative at 2. [↑](#footnote-ref-9)
8. *Id.* [↑](#footnote-ref-10)
9. *Id.* [↑](#footnote-ref-11)
10. *Id.* [↑](#footnote-ref-12)
11. *Id.* at 3. [↑](#footnote-ref-13)
12. *See* Agreement Relating to the International Telecommunications Satellite Organization, 23 UST 3813, 1220 UNTS 21 (entry into force Feb. 12, 1973); *Request by Intelsat License LLC, as Debtor in Possession, for Modification of License Conditions Relating to the International Telecommunications Satellite Organization*, Public Notice, 35 FCC Rcd 14540, 14540 n.5 (IB-SD 2020) (*ITSO Conditions Public Notice)*. Intelsat License DIP is a wholly owned subsidiary of Intelsat DIP. Narrative at 1 n.1. [↑](#footnote-ref-14)
13. *See, e.g.*, *FCC Report to Congress as Required by the ORBIT Act*, Fourteenth Report, 28 FCC Rcd 8587, 8590-91 (2013). [↑](#footnote-ref-15)
14. *See* Agreement Relating to the International Telecommunications Satellite Organization, *amendment opened for signature* Nov. 17, 2000, 23 UST 3813, 1220 UNTS 21 (ITSO Agreement). [↑](#footnote-ref-16)
15. The core principles require the company to: (i) maintain global connectivity and global coverage; (ii) serve its lifeline connectivity customers; and (iii) provide non-discriminatory access to the Intelsat system. ITSO Agreement, Art. III(b). With regard to the second principle, Intelsat DIP has noted that the final lifeline customer contracts expired in 2019. *See ITSO Conditions Public Notice*, 35 FCC Rcd 14540, 14541 n.8. [↑](#footnote-ref-17)
16. *See* ITSO Agreement, Art. VII(b). [↑](#footnote-ref-18)
17. *See* Intelsat License LLC Reply Comments at 4 n.8 (Intelsat Reply) (quoting Article 6.03 of the Public Services Agreement: “Any dispute, controversy or claim between the parties to this [Public Services Agreement] arising out of or relating to this [Public Services Agreement] that is not resolved through negotiation as provided for in 6.02 shall be settled by arbitration in the city where ITSO’s headquarters is located.”). [↑](#footnote-ref-19)
18. The ITSO-related conditions apply to space station licenses that make use of pre-privatization International Telecommunication Union filings transferred to the United States at privatization. *See Petition of the International Telecommunications Satellite Organization under Section 316 of the Communications Act, as Amended*, Order of Modification, 23 FCC Rcd 2764, 2764-65, para. 2 (IB 2008) (*Modification Order*). [↑](#footnote-ref-20)
19. *Id.* at 2770, para. 13. [↑](#footnote-ref-21)
20. *Id.* This condition was meant “to ensure continuing compliance with the core principles even after any potential bankruptcy.” *See id.* at 2768, para. 7 n.26. [↑](#footnote-ref-22)
21. *Id.* at 2769, para. 9. [↑](#footnote-ref-23)
22. *Id.* In a separate proceeding, Intelsat DIP seeks modification of these license conditions in anticipation of the possible termination of the ITSO Agreement. *See ITSO Conditions Public Notice*, 35 FCC Rcd 14540. [↑](#footnote-ref-24)
23. *Applications Filed for Assignment and Transfer of Control by Intelsat S.A., as Debtor-in-Possession*, Public Notice, DA 21-1200 (IB/WTB/OET rel. Sept. 24, 2021) (*Public Notice)*. Spectrum Five LLC requested an extension of time to file comments. Spectrum Five LLC Motion for Extension of Time to File Comments (filed Oct. 11, 2021); *but see* Intelsat License LLC Opposition to Motion for Extension of Time to File Comments (filed Oct. 14, 2021). The request was denied. *Intelsat S.A., as debtor-in-possession, (Transferor) and New TopCo S.A. (Transferee)*, Order, DA 21-1324 (IB-SD 2021). [↑](#footnote-ref-25)
24. Letter from Ms. Nonkqubela Jordan-Dyani, Acting Director-General, Communications and Digital Technologies, Republic of South Africa, to Marlene H. Dortch, Secretary, FCC (filed Oct. 25, 2021) (ITSO Letter). [↑](#footnote-ref-26)
25. Intelsat Reply. [↑](#footnote-ref-27)
26. *See* ITSO Letter at 3, para. 7-8. [↑](#footnote-ref-28)
27. *Id.* at 3, para. 9. The ITSO Chair faults the Applicants for not citing, in the Narrative, to the *Modification Order* which adopted the ITSO-related conditions, in accordance with a condition in that order specifying that “Intelsat, in filing any application seeking Commission approval to modify, assign, transfer or otherwise take action with respect to this authorization, SHALL CITE TO the [*Modification Order*] in the narrative section of the relevant application.” *See* *id.* at 3, para. 6; *Modification Order*, 23 FCC Rcd at 2771, para. 13. Intelsat License DIP responds that this condition was added at the request of Intelsat “for administrative purposes” so that the ITSO-related conditions would “automatically attach or remove from a satellite license when the satellite moves into or out of a transferred orbital location.” Intelsat Reply at 3, n.6 (quoting *Modification Order*, 23 FCC Rcd at 2770, para. 12). Intelsat License DIP argues that it is not clear the present applications are “relevant” under the condition, but nonetheless cites to and acknowledges the *Modification Order* “out of an abundance of caution.” Intelsat Reply at 3, n.6. [↑](#footnote-ref-29)
28. ITSO Letter at 4, para. 12. [↑](#footnote-ref-30)
29. *Id.* at 4, para. 11. [↑](#footnote-ref-31)
30. *Id.* at 4, para. 13. [↑](#footnote-ref-32)
31. Intelsat Reply at 1. Intelsat License DIP also states that “[i]n the 20 years since Intelsat’s privatization and entry into the [Public Services Agreement], Intelsat has not once failed to comply with the Core Principles set forth in the [Public Services Agreement].” *Id.* at 3. [↑](#footnote-ref-33)
32. *Id.* at 4. [↑](#footnote-ref-34)
33. *See id.* at 4-6. [↑](#footnote-ref-35)
34. *See id.* at 4. [↑](#footnote-ref-36)
35. ITSO Letter at 3, para. 7; *see also* Intelsat Reply at 4. [↑](#footnote-ref-37)
36. *Public Notice* at 2 (citing *Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, Report and Order, 35 FCC Rcd 10927 (2020) (*Executive Branch Review Order*) (setting rules and procedures for referring applications for Executive Branch review consistent with Executive Order No. 13913)). [↑](#footnote-ref-38)
37. Letter from Christopher Clements, Attorney, National Security Division, Department of Justice, to Marlene H. Dortch, Secretary, FCC (filed Sept. 30, 2021). [↑](#footnote-ref-39)
38. Letter from Christopher Clements, Attorney, National Security Division, Department of Justice, to Marlene H. Dortch, Secretary, FCC (filed Oct. 20, 2021). [↑](#footnote-ref-40)
39. NTIA Petition to Adopt Conditions to Authorizations and Licenses (filed Feb. 2, 2022). [↑](#footnote-ref-41)
40. Letter from Michelle Bryan, General Counsel and Chief Administrative Officer, Intelsat S.A., to Chief, Foreign Investment Review Section (FIRS), Deputy Chief, Compliance and Enforcement (FIRS), On Behalf of the Assistant Attorney General for National Security, Department of Justice, National Security Division, Under Secretary Robert Silvers, Office of Strategy, Policy, and Plans, Department of Homeland Security, and Office of Foreign Investment Review, Director Under Secretary of Acquisitions and Sustainment, Department of Defense (Jan. 18, 2022)*.* [↑](#footnote-ref-42)
41. *See* 47 U.S.C. §§ 214(a), 310(d); *see also, e.g.,* *Application of Verizon Communications Inc. and América Móvil, S.A.B. de C.V. For Consent To Transfer Control of International Section 214 Authorization*, Memorandum Opinion and Order, FCC 21-121, 8, para. 21 (2021) (*Verizon-TracFone Order*); *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9139, para. 18 (2015) (*AT&T/DIRECTV Order*). [↑](#footnote-ref-43)
42. *See, e.g.*, *Verizon-TracFone Order*, FCC 21-121, 8, para. 21; *AT&T/DIRECTV Order*, 30 FCC Rcd at 9139-40, para. 18. [↑](#footnote-ref-44)
43. *See, e.g.*, *Verizon-TracFone Order*, FCC 21-121, 8, para. 21; *AT&T/DIRECTV Order*, 30 FCC Rcd at 9140, para. 18. [↑](#footnote-ref-45)
44. *See, e.g.*, *Verizon-TracFone Order*, FCC 21-121, 8, para. 21; *AT&T/DIRECTV Order*, 30 FCC Rcd at 9140, para. 18. [↑](#footnote-ref-46)
45. *See, e.g.*, *Verizon-TracFone Order*, FCC 21-121, 8, para. 21; *AT&T/DIRECTV Order*, 30 FCC Rcd at 9140, para. 18. [↑](#footnote-ref-47)
46. *Stanford Springel As Chapter 11 Trustee for the Bankruptcy Estate of Innovative Communication Corporation, Transferor and Assignor, and National Rural Utilities Cooperative Finance Corporation and Its Subsidiaries, Transferees and Assignees, Applications for Consent to Assign and Transfer Control,* Order, 24 FCC Rcd 14360, 14369, para. 19 (WCB/MB/WTB/IB 2009). [↑](#footnote-ref-48)
47. *Worldcom, Inc., and Its Subsidiaries (Debtors-in-Possession), Transferor, and MCI, Inc., Transferee, Applications for Consent to Transfer and/or Assign Section 214 Authorizations, Section 310 Licenses, and Submarine Cable Landing Licenses*, Memorandum Opinion and Order, 18 FCC Rcd 26484, 26503, para. 29 (2003). [↑](#footnote-ref-49)
48. *Id.* [↑](#footnote-ref-50)
49. The Commission generally does not reevaluate the qualifications of a transferor unless issues related to basic qualifications have been sufficiently raised in petitions to warrant designation for hearing. *See, e.g.*, *AT&T/DIRECTV Order*, 30 FCC Rcd at 9142, para. 25. [↑](#footnote-ref-51)
50. *See* Narrative at 4-5. [↑](#footnote-ref-52)
51. *See* ITSO Letter at 3, para. 7. [↑](#footnote-ref-53)
52. *See Intelsat Global Holdings, S.A., Applications to Transfer Control of Intelsat Licenses and Authorizations from BC Partners Holdings Limited to Public Ownership*, Order, 27 FCC Rcd 5226, 5228, para. 6 (IB 2012). Intelsat License DIP has confirmed that the transaction will not affect Intelsat’s adherence to the “core principles” of non-discriminatory access to Intelsat’s system and global connectivity and coverage. Intelsat Reply at 1; *see also Modification Order*, 23 FCC Rcd at 2768, para. 7 n.26 (citing March 15, 2007 letter from Ambassador David A. Gross, United States Coordinator, International Communications and Information Policy, U.S. Department of State, to The Honorable Kevin J. Martin, Chairman, Federal Communications Commission, IB Docket No. 06-137, at 1, as supporting the “condition requiring any successor-in-interest to Intelsat to be a signatory of the Public Services Agreement, to ensure continuing compliance with the core principles even after any potential bankruptcy.”) [↑](#footnote-ref-54)
53. Intelsat License DIP ex parte letter, November 23, 2021. [↑](#footnote-ref-55)
54. ITSO Agreement, Art. VII(b). [↑](#footnote-ref-56)
55. Public Services Agreement, Art. 6.03.  *See* ITSO Letter at 3, para. 7 (referring to arbitration as the “sole mechanism for resolving issues arising under the [Public Services Agreement]”); Intelsat Reply at 4. [↑](#footnote-ref-57)
56. *Modification Order*, 23 FCC Rcd at 2769, para. 9. [↑](#footnote-ref-58)
57. *Applications of Verestar, Inc. (Debtor-In-Possession) for Consent to Assignment of Licenses to SES Americom, Inc.*, Memorandum Opinion, Order, and Authorization, 19 FCC Rcd 22750, 22756, para. 16 (IB/WTB 2004). We also note that the Applicants’ omission of a citation to the *Modification Order* in the Narrative is no grounds for any of the relief sought by the ITSO Chair, and nor do we consider it grounds for adverse action in this proceeding. [↑](#footnote-ref-59)
58. *See* *Executive Branch Review Order*, 35 FCC Rcd 10927; *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-21, paras. 59-66 (1997) (*Foreign Participation Order*), *recon. denied*, 15 FCC Rcd 18158 (2000) (in opening the U.S. telecommunications market to foreign entry in 1997, the Commission affirmed that it would consider national security, law enforcement, foreign policy, and trade policy concerns related to reportable foreign ownership as part of its overall public interest review of application for international section 214 authority, submarine cable landing licenses, and declaratory rulings to exceed the foreign ownership benchmarks of section 310(b) of the Act). [↑](#footnote-ref-60)
59. *See Executive Branch Review Order*, 35 FCC Rcd at 10935-36, paras. 17, 24. [↑](#footnote-ref-61)
60. *Id.* at 10930, para. 7 (citing *Foreign Participation Order*, 12 FCC Rcd at 23920-21, paras. 65-66; *Amendment of the Commission’s Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Satellite Service in the United States; Amendment of Section 25.131 of the Commission’s Rules and Regulations to Eliminate the Licensing Requirement for Certain International Receive-Only Earth Stations*, Report and Order, 12 FCC Rcd 24094, 24171-72, paras. 179, 182 (1997)). [↑](#footnote-ref-62)
61. 47 CFR § 1.40001(b) (“The Commission will consider any recommendations from the [E]xecutive [B]ranch on pending application(s) . . . that may affect national security, law enforcement, foreign policy, and/or trade policy as part of its public interest analysis. The Commission will evaluate concerns raised by the [E]xecutive [B]ranch and will make an independent decision concerning the pending matter.”). [↑](#footnote-ref-63)
62. *See Applications of T-Mobile US, Inc., and Sprint Corporation, for Consent to Transfer Control of Licenses and Authorizations, et al.*, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10732-33, para. 349 (2019); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-21, paras. 59-66 (1997)*.* [↑](#footnote-ref-64)
63. We also conclude that the planned change in ownership will not adversely affect any of the considerations made when Intelsat DIP’s non-U.S.-licensed space stations were granted U.S. market access. *See* 47 CFR § 25.137(g). [↑](#footnote-ref-65)