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

In the Matter of	)	
	)	
Applications of SES S.A.	)	SB Docket No. 24-267
	)	
and	)	ICFS File Nos. SAT-T/C-20240530-00116,
	)	SAT-T/C-20240530-00117, SAT-MPL-
Intelsat S.A.	)	20240809-00176, SAT-MPL-20240809-
	)	00177, SAT-MPL-20240809-00179, SES-
For Consent to Transfer Control of	)	T/C-20240530-01222, SES-T/C-20240603-
Licenses and Authorizations	)	01221
	)	
	)	ULS File No. 0011092560
	)	
	)	ELS File Nos. 0027-EX-TU-2024; 0028-EX-
	)	TU-2024

MEMORANDUM OPINION AND ORDER

Adopted: July 11, 2025 **Released: July 11, 2025**

By the Chiefs, Space Bureau, Wireless Telecommunications Bureau, and Office of Engineering & Technology:

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I. INTRODUCTION

1. In this Memorandum Opinion and Order, the Space Bureau (SB), Wireless Telecommunications Bureau (WTB), and Office of Engineering Technology (OET) approve the applications filed by SES S.A. (SES) and Intelsat S.A. (Intelsat, and together with SES, the Applicants), pursuant to section 310(d) of the Communications Act of 1934, as amended (the Act),[1] for consent to transfer control of licenses held by Intelsat Holdings S.à.r.l. and its subsidiaries to SES.[2]

2. Based on our review of the record before us, we do not find any material public interest harms arising from the proposed transfers of control. Further, we find that the proposed transaction is likely to generate certain public interest benefits, including lower costs due to synergies and elimination of double marginalization, improved network quality, increased investment, national security benefits, and the creation of a more vigorous satellite competitor. Accordingly, we find that the transaction will serve the public interest, convenience, and necessity.

II. BACKGROUND

A. Description of the Applicants

3. SES, a Luxembourg public limited company, offers satellite capacity, products, and services to a wide range of media, government, mobility, and enterprise customers around the world.[3] At the time of filing, SES operated a fleet of 43 geostationary orbit (GSO) satellites and 26 high-throughput, low-latency satellites in medium Earth orbit (MEO), primarily in the C-, Ku- and Ka-bands.[4] SES also operates satellite operations centers, network operations centers, and a ground network that supports the provision of satellite connectivity around the world, including U.S. earth station gateways in Virginia,

[1] 47 U.S.C. § 310(d); *see also* 47 CFR §§ 1.948, 5.29, 25.119.

[2] Description of Transaction and Public Interest Statement, ICFS File No. SAT-T/C-20240530-00117 (filed May 30, 2024) (Narrative). A list of the applications is set forth in the Appendix. The Applicants provided an updated post-transaction ownership structure in which Intelsat S.A. no longer appears as a listed entity. Letter from Jennifer Hindin and Michele C. Farquhar, Counsels to Intelsat Holdings S.à.r.l. and SES S.A., to Marlene H. Dortch, Secretary, FCC, SB Docket No. 24-267 (filed Jun. 6, 2025). The companies currently holding FCC licenses – Intelsat License LLC, Horizons-3 License LLC, Horizons-4 Satellite LLC, and Intelsat Inflight Licenses LLC – remain in the post-transaction structure. *Id.* at Attachment A. The Applicants also removed the Horizons-1 market access grant (Call Sign S2475) from the transfer application. *Id.* at 1.

[3] Narrative at 2. SES's services include content distribution and contribution services to cable, broadcast, and media companies; satellite connectivity to aircraft and maritime vessels; 4G and 5G network expansion and resiliency for mobile operators; direct "one-hop" connectivity to cloud computing data centers from anywhere in the world; and secure communications for the U.S., NATO and allied governments. *Id*.

[4] *Id.* at 2. At the time of application, SES planned to launch 11 additional satellites over 24 months, including seven additional next-generation O3b mPOWER MEO satellites, two high-throughput GSO satellites, and one spacecraft in LEO for quantum key distribution. *Id*.

Maryland, Pennsylvania, Texas, Arizona, California, and Washington.[5] SES earned $2.2 billion in revenues during the fiscal year ending 2024.[6]

4. Intelsat, a Luxembourg public limited company, is the parent of Intelsat Holdings S.à.r.l., which, through its wholly owned subsidiaries, holds Commission market access authorizations, space station and earth station licenses, and experimental licenses.[7] At the time of filing, Intelsat operated a fleet of 57 GSO satellites, operating in the C-band, Ku-band, and Ka-band, which provide diversified communications services to media companies, telecommunications operators, commercial aviation, and Internet service providers, as well as to the U.S. Government.[8] Intelsat also uses its satellites as relay stations in space for the transmission of voice, video, and data communications,[9] and it operates a U.S. ground network that supports satellite connectivity.[10] Intelsat earned $2.0 billion in revenues during the fiscal year ending 2024.[11]

B. Description of the Transaction

5. On May 1, 2024, SES and Intelsat entered into a share purchase agreement pursuant to which SES would acquire 100% of the outstanding shares and assets of Intelsat for $3.1 billion plus certain contingent value rights.[12] The transaction will be financed from existing cash and equivalents and the issuance of new debt.[13]

6. The Applicants assert that the proposed transaction will produce significant public interest benefits.[14] They contend that, because their individual networks are complementary, the combined company will be able to offer customers a better, more expansive suite of solutions supported by a world-class satellite fleet.[15] In particular, the Applicants argue that combining their assets will: (1) result in an optimized multi-orbit network;[16] (2) free up financial resources to support investments in innovative products and services, advanced technologies, and new satellite capacity;[17] (3) improve the combined company's capabilities, service reliability, and customer offerings;[18] and (4) benefit national

[5] Narrative at 2.

[6] SES, Annual Report 2024 at 11 (2025), https://www.ses.com/sites/default/files/2025-03/SES_AnnualReport24_4MAR25_final.pdf. Dollars amounts converted from euros based on the average year exchange rate of $1.0863/€ used by SES. *Id.* at 180.

[7] Narrative, Exhibit 1. Intelsat also holds an Industrial/Business Pool private wireless license. *Id*.

[8] *Id.* at 3.

[9] *Id.* at 3.

[10] *Id.* at 3.

[11] Intelsat S.A. and Subsidiaries, Annual Report ended December 31, 2024 at 6, 9 (2025), https://investors.intelsat.com/static-files/32a28ff9-4aab-4007-a714-59cc45b550ae.

[12] Narrative at 3; Press Release, Intelsat, SES to Acquire Intelsat in Compelling Transaction Focused on the Future (Apr. 30, 2024), https://www.intelsat.com/newsroom/ses-to-acquire-intelsat/.

[13] Press Release, Intelsat, SES to Acquire Intelsat in Compelling Transaction Focused on the Future (Apr. 30, 2024), https://www.intelsat.com/newsroom/ses-to-acquire-intelsat/.

[14] Narrative at 12.

[15] *Id.* at 12.

[16] *Id.* at 12.

[17] *Id.* at 13.

[18] *Id.* at 14-15.

security.[19] The Applicants further maintain that the proposed transaction will improve the company's competitiveness vis-à-vis new non-geostationary orbit (NGSO) constellations and other global and regional GSO satellite operators,[20] as well as terrestrial providers.[21]

C. Transaction Review Process

7. SES and Intelsat filed their applications on May 20, 2024.[22] A public notice was released on August 29, 2024, which accepted the applications for filing and sought comment.[23] Three comments, two replies, and two consolidated responses were filed in response to the public notice.[24] Information Requests and certain additional request for documents and information were issued,[25] to which the Applicants responded.[26]

8. On October 3, 2024, the United States Department of Justice (DOJ), on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee), requested that the Commission defer action on the applications until the Committee has concluded its review as to whether the applications pose a risk to the national security or law

[19] Narrative at 16-18.

[20] *Id.* at 6-10.

[21] *Id.* at 11.

[22] *See infra* Attach. A. *See also Applications Public Notice*, Attachment.

[23] *See Applications Public Notice*. The applications for transfer of control were submitted via the International Communications Filing System (ICFS) under file numbers SAT-T/C-20240530-00116, SAT-T/C-20240530-00117, SAT-MPL-20240809-00176, SAT-MPL-20240809-00177, SAT-MPL-20240809-00178, SAT-MPL-20240809-00179, SES-T/C-20240530-01222, and SES-T/C-20240603-01221. *See also* Universal Licensing System file number 0011092560; OET Experimental Licensing System file numbers 0027-EX-TU-2024 and 0028-EX-TU-2024. In addition, we note that Intelsat has a pending application for a conventional experimental license (0264-EX-CN-2025) that is beyond the scope of this proceeding. Upon consummating the Transfer of Control, SES will need to update the applicant information associated with this pending application.

[24] Comments of the International Telecommunications Satellite Organization (rec. Sept. 30, 2024) (ITSO Comments); Comments of Eutelsat S.A. and WorldVu Satellites Limited (rec. Sept. 30, 2024) (Eutelsat Comments); Comments of NCTA – The Internet & Television Association (rec. Sept. 30, 2024) (NCTA Comments); Consolidated Response of SES S.A. and Intelsat S.A. (rec. Oct. 15, 2024) (Consolidated Response); Response to Comments of the National Association of Broadcasters (rec. Oct. 15, 2024) (NAB Reply); Reply Comments of Eutelsat S.A. and WorldVu Satellites Limited (rec. Oct. 25, 2024) (Eutelsat Reply); Consolidated Reply Comments of SES S.A. and Intelsat S.A. (rec. Oct. 25, 2024) (Consolidated Reply to NAB).

[25] *SES S.A. General Information Request*, SB Docket No. 24-267 (SB Jan. 13, 2025) (SES RFI); *Intelsat Holdings S.à.r.l. General Information Request*, SB Docket No. 24-267 (SB Jan. 13, 2025) (Intelsat RFI).

[26] *See, e.g.*, Letter from Michele Farquhar, Counsel to SES, S.A., to Marlene H. Dortch, Secretary, FCC (filed Oct. 2, 2024), Exh. C (LEO White Paper); Letter from Michele Farquhar, Counsel to SES, S.A., to Marlene H. Dortch, Secretary, FCC (Nov. 20, 2024), Exh. A (Mobility and Fixed Data White Paper); Letter from Michele Farquhar, Counsel to SES, S.A., to Marlene H. Dortch, Secretary, FCC (filed Jan. 8, 2025), Exh. A (Media White Paper); SES Feb. 3, 2025 Confidential RFI Response; Intelsat Feb. 3, 2025 Confidential RFI Response; Letter from Michele Farquhar, Counsel to SES, S.A., to Marlene H. Dortch, Secretary, FCC (filed Apr. 4, 2024), Exh. A (Government White Paper); Letter from Jennifer Hindin, Counsel to Intelsat, S.A., to Marlene H. Dortch, Secretary, FCC (filed Apr. 7, 2025) (Intelsat Feb. 3 RFI Response); Letter from Michele Farquhar, Counsel to SES, S.A., to Marlene H. Dortch, Secretary, FCC, (filed Apr. 30, 2025), Exh. A (SES Apr. 30, 2025 Submitted Documents), Exh. B (SES Feb. 3, 2025 RFI Response).

enforcement interests of the United States and offered its recommendation.[27] On July 7, 2025, the National Telecommunications and Information Administration (NTIA) filed a Petition to Adopt Conditions to Authorizations and Licenses on behalf of the Committee (Committee Petition),[28] advising the Commission that it has no objection to approving the applications, provided that the Commission conditions its approval on the assurance of SES S.A. to abide by the commitments and undertakings set forth in National Security Agreement between SES S.A. and its Affiliates, the Committee, the U.S. Department of Homeland Security, DOJ, and the U.S. Department of Defense, on the other hand, dated July 2, 2025.[29]

III. STANDARD OF REVIEW AND PUBLIC INTEREST FRAMEWORK

9. Pursuant to section 310(d) of the Act,[30] we must determine whether the proposed transfer of control to SES of licenses and authorizations held and controlled by wholly-owned subsidiaries of Intelsat will serve the public interest, convenience, and necessity. 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.[31]

10. If the proposed transaction does not violate a statute or rule, we then 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.[32] Our competitive analysis, which forms an important part of the public interest evaluation, is informed by, but not limited to, traditional antitrust principles.[33] The

[27] Letter from Christine M. Quinn, Attorney Advisor, Foreign Investment Review Section, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, SB Docket No. 24-267 et al. (filed Oct. 3, 2024).

[28] National Telecommunications and Information Administration, Petition to Adopt Conditions to Authorizations and Licenses, SB Docket No. 24-267 SAT-T/C-20240530-00116, SAT-T/C-20240530-00117, SAT-MPL-20240809-00176, SAT-MPL-20240809-00177, SAT-MPL20240809-00178, SAT-MPL-20240809-00179, SES-T/C-20240530-01222, and SES-T/C-20240603-01221(Committee Petition). NTIA filed the Committee Petition in the ICFS files on July 3, 2025 and in SB Docket No. 24-267 on July 7, 2025.

[29] National Security Agreement by and between SES S.A. and its Affiliates, on the one hand, and the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, the U.S. Department of Homeland Security, the U.S. Department of Justice, and the U.S. Department of Defense, on the other hand (dated July 2, 2025). Filed in SB Docket No. 24-267, SAT-T/C-20240530-00116, SAT-T/C-20240530-00117, SAT-MPL-20240809-00176, SAT-MPL-20240809-00177, SAT-MPL20240809-00178, SAT-MPL-20240809-00179, SES-T/C-20240530-01222, and SES-T/C-20240603-01221(July 7, 2025) (July 2, 2025 NSA).

[30] 47 U.S.C. § 310(d). Section 310(d) of the Act requires that we consider applications for transfer of Title III licenses under the same standard as if the proposed transferee were applying for licenses directly under section 308 of the Act, 47 U.S.C. § 308. *See, e.g.*, *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9585, para. 8 (2017) (*CenturyLink-Level 3 Order*) *Applications of GCI Communication Corp., ACS Wireless License Sub, Inc., ACS of Anchorage License Sub, Inc., and Unicom, Inc. for Consent to Assign Licenses to the Alaska Wireless Network, LLC*, Memorandum Opinion and Order and Declaratory Ruling, 28 FCC Rcd 10433, 10442, para. 23 & n.71 (2013) (*Alaska Wireless-GCI Order*).

[31] 47 U.S.C. § 310(d). *See also CenturyLink-Level 3 Order*, 32 FCC Rcd at 9585, para. 8; *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10442, para. 23.

[32] *See, e.g.*, *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9585, para 9; *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10442, para. 23.

[33] *See, e.g.*, *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9585, para. 9*Alaska Wireless-GCI Order*, 28 FCC Rcd at 10443, para. 25; *see also Northeast Utils. Serv. Co. v. FERC*, 993 F.2d 937, 947 (1st Cir. 1993) (public interest (continued….)

United States Department of Justice has independent authority to examine the competitive impacts of proposed mergers and transactions involving transfers of Commission licenses, but the Commission's competitive analysis under the public interest standard is somewhat broader, and often takes a more extensive view of potential and future competition and its impact on the relevant markets.[34] Notably, the Commission has determined it may impose and enforce transaction-related conditions to ensure that the public interest is served by the transaction.[35]

11. If we determine that a transaction raises no public interest harms or that any such harms have been ameliorated by the Commission-imposed conditions or voluntary commitments, we next consider a transaction's public interest benefits. Applicants bear the burden of proving those benefits by a preponderance of the evidence.[36] As part of our public interest authority, we may impose conditions to ensure for the public the transaction-related benefits claimed by the Applicants.[37]

12. Finally, if we are able to find that transaction-related conditions are able to ameliorate any public interest harms and the transaction is in the public interest, we may approve the transaction as

standard does not require agencies "to analyze proposed mergers under the same standards that the Department of Justice . . . must apply").

[34] *See, e.g.*, *Applications for Consent to the Transfer of Control of Licenses, XM Satellite Radio Holdings Inc., Transferor to Sirius Satellite Radio Inc., Transferee*, MB Docket No. 07-57, Memorandum Opinion and Order and Report and Order, 23 FCC Rcd 12348, 12365-66, para. 32 (2008) (*XM-Sirius Order*); *AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, WC Docket No. 06-74, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5674, para. 21 (2007) (*AT&T-BellSouth Order*); *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corporation for Consent to Transfer Control of Licenses and Authorizations, File Nos. 0001656065, et al.; Applications of Subsidiaries of T-Mobile USA, Inc. and Subsidiaries of Cingular Wireless Corporation for Consent to Assignment and Long-Term De Facto Lease of Licenses, File Nos. 0001771442, 0001757186, and 0001757204; Applications of Triton PCS License Company, LLC, AT&T Wireless PCS, LLC, and Lafayette Communications Company, LLC for Consent to Assignment of Licenses, File Nos. 0001808915, 0001810164, 0001810683, and 50013CWAA04*, WT Docket Nos. 04-70, 04-254, and 04-323, Memorandum Opinion & Order, 19 FCC Rcd 21522, 21545, para. 42 (2004) (*Cingular-AT&T Wireless Order*),

[35] *See, e.g.*, *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, 9141, para. 22 (2015) (*AT&T-DIRECTV Order*); *Applications of Comcast Corp., General Electric Co. and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licenses*, Memorandum Opinion and Order, 26 FCC Rcd 4238, 4249, para. 25 (2011) (*Comcast-NBC Universal Order*); *Application of EchoStar Communications Corp., (A Nevada Corp.), General Motors Corp., and Hughes Electronics Corp (Delaware Corps.) (Transferors) and EchoStar Communications Corp. (A Delaware Corp.) (Transferee)*, Hearing Designation Order, 17 FCC Rcd 20559, 20575, para. 27 (2002) (*EchoStar-DIRECTV HDO*); *see also Application of WorldCom, Inc. and MCI Commc'ns Corp. for Transfer of Control of MCI Communications Corporation to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18025, 18032, para. 10 (1998) (*WorldCom-MCI Order*) (stating that the Commission may attach conditions to the transfers); *Applications of T-Mobile US, Inc., and Sprint Corp., for Consent to Transfer Control of Licenses and Authorizations, Applications of American H Block Wireless L.L.C., DBSD Corp., Gamma Acquisition L.L.C., and Manifest Wireless L.L.C. for Extension of Time*, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10596, para. 42 (2019) (*T-Mobile-Sprint Order*).

[36] 47 U.S.C. § 309(e). *See also CenturyLink-Level 3 Order*, 32 FCC Rcd at 9586, para. 10; *Verizon-Straight Path Order*, 33 FCC Rcd at 190-91, para. 7; *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10442, para. 23.

[37] *See, e.g.*, *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10443, para. 26; *Applications of AT&T Inc. and Centennial Communications Corp. for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Leasing Arrangements*, Memorandum Opinion and Order, 24 FCC Rcd 13915, 13929, para. 30 (2009).

so conditioned or agreed.[38] In contrast, if we are unable to find that a proposed transaction, even with such conditions serves the public interest or if the record presents a substantial and material question of fact, then we must designate the application for hearing.[39]

IV. QUALIFICATIONS OF THE APPLICANTS AND COMPLIANCE WITH COMMUNICATIONS ACT AND FCC RULES AND POLICIES

13. Section 310(d) of the Act requires that we make a determination as to whether the Applicants have the requisite qualifications to hold Commission licenses.[40] Among the factors that the Commission considers in its public interest review is whether the applicant for a license has the requisite "citizenship, character, financial, technical, and other qualifications."[41] Therefore, as a threshold matter, the Commission must determine whether the Applicants have the requisite qualifications to hold and transfer licenses under section 310(d) of the Act and the Commission's rules.[42]

14. SES will control the combined company, and no parties have raised issues with respect to the basic qualifications of the Applicants. Accordingly, pursuant to Commission precedent,[43] we find that there is no reason to reevaluate the requisite citizenship, character, financial, technical, or other basic qualifications of SES or Intelsat under the Act or our rules, regulations, and policies.[44] We also find that the Transaction will not violate any statutory provision or Commission rule.

V. POTENTIAL PUBLIC INTEREST HARMS

15. For the reasons discussed below, we find that the proposed transaction is unlikely to result in any competitive harms. We find that the satellite industry is a dynamic one, that is being transformed both by the rapid entry and expansion of NGSO constellations—which are increasing satellite capacity dramatically—and by the increasing ubiquity of fiber networks that provide reliable and high-capacity competitive alternatives to satellite services. In our forward-looking approach, we consider these technological and market changes when conducting our analysis.[45]

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[38] *See, e.g.*, *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9586, para. 11; *Verizon-Straight Path Order*, 33 FCC Rcd at 191, para. 8.

[39] 47 U.S.C. § 309(e). *See also CenturyLink-Level 3 Order*, 32 FCC Rcd at 9586-87, para. 11; *Verizon-Straight Path Order*, 33 FCC Rcd at 191, para. 8; *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10444, para. 27. Section 309(e)'s requirement applies only to those applications to which Title III of the Act applies. *See ITT World Communications, Inc. v. FCC*, 595 F.2d 897, 901 (2d Cir. 1979); *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9586-87, para. 11 & n.37.

[40] 47 U.S.C. § 310(d).

[41] *See* 47 U.S.C. §§ 308, 310(d); *Applications of Viasat, Inc. and Connect Topco Limited For Consent To Transfer Control of Authorizations*, Memorandum Opinion and Order and Declaratory Ruling 38 FCC Rcd 4776, at 4783, para. 13 (*Viasat-Inmarsat Order*); *T-Mobile-Sprint Order,* 34 FCC Rcd at 10596-97, para. 43; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 24.

[42] 47 U.S.C. § 310(d); 47 C.F.R. § 25.119. *See also Viasat-Inmarsat Order,* 38 FCC Rcd at 4783, para. 13; *T-Mobile-Sprint Order,* 34 FCC Rcd at 10597-98, paras. 43; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 24.

[43] The Commission generally does not reevaluate the qualifications of transferors unless issues related to basic qualifications have been sufficiently raised in petitions to warrant designation for hearing. *See Viasat-Inmarsat Order,* 38 FCC Rcd at 4783, para. 13; *T-Mobile-Sprint Order*, 34 FCC Rcd at 10597, para. 45; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 25.

[44] *See T-Mobile-Sprint Order*, 34 FCC Rcd at 10597, para. 44; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 25.

[45] *See, e.g.*, *XM-Sirius Order*, 23 FCC Rcd at 12364-65, para. 31.

A. Competitive Effects of the Proposed Transaction

16. Horizontal transactions involve the merger of actual or potential competitors.[46] Vertical transactions involve the merger of a supplier of an input with a buyer or potential buyer of the input.[47] Both types of transactions raise potential competitive concerns when the newly combined entity would have the incentive and the ability, either unilaterally or in coordination with other service providers, to raise prices, lower quality, or otherwise harm competition.[48]

17. In this transaction, both Applicants sell satellite services in what are generally referred to as the media, government, aviation, maritime, and fixed data service segments.[49] In addition, the Applicants also supply capacity to each other and to other service providers in certain segments, so this transaction has both horizontal and vertical aspects.[50] Because the Applicants treat these segments separately for purposes of business strategy, we perform separate analyses of potential harms within each of these segments, but note that commenters raised competitive concerns only with respect to the media services segment.[51]

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[46] *See 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*, 36 FCC Rcd 16994, at 17006-07, para. 34 (*Verizon-Tracfone Order*); *Comcast-NBC Universal Order*, 26 FCC Rcd at 4250, para. 27; *General Motors Corp. and Hughes Electronics Corp., Transferors, and the News Corporation, Transferee,* MB Docket No. 03-124, Memorandum Opinion and Order, 19 FCC Rcd 510, at 544, para. 69 (2004) (*NewsCorp.-Hughes Order).*

[47] *See e.g.*, *NewsCorp.-Hughes Order,* 19 FCC Rcd at 544, para. 70 (2004); *Comcast-NBC Universal Order*, 26 FCC Rcd at 4250, para. 27; *Verizon-TracFone Order*, 36 FCC Rcd at 17017-18, para. 56.

[48] *See, e.g.*, *NewsCorp.-Hughes Order,* 19 FCC Rcd at 547, para. 78; *Viasat-Inmarsat Order*, 38 FCC Rcd at 4785, para. 19; *Verizon-TracFone Order*, 36 FCC Rcd at 17006, 17017-18, paras. 34, 56; *T-Mobile-Sprint Order*, 34 FCC Rcd at 10611, para. 79. Unilateral effects arise when the merged firm finds it profitable to alter its behavior following the merger by increasing its price or otherwise harming competition. U.S. Dept. of Justice and Federal Trade Commission, Merger Guidelines (Dec. 18, 2023), § 2.2 at 6-7, https://www.justice.gov/atr/2023-merger-guidelines (2023 DOJ/FTC Merger Guidelines); U.S. Dept. of Justice and Federal Trade Commission, Horizontal Merger Guidelines (Aug. 19, 2010), § 6 at 20, https://www.justice.gov/atr/horizontal-merger-guidelines-08192010 (2010 DOJ/FTC Horizontal Merger Guidelines). Coordinated effects arise when firms take actions that are profitable for each of them only as a result of the accommodating reactions of others. A merger may diminish competition and harm consumers by enabling or encouraging post-merger coordinated interaction among firms. *2010 DOJ/FTC Horizontal Merger Guidelines* at § 7; *see also Sprint-Shentel-NTELOS Order*, 31 FCC Rcd at 3638-39, para. 17 & n.51; *AT&T-Leap Order*, 29 FCC Rcd at 2756-57, para. 49.

[49] *See* SES RFI at 5-7 ("Media" refers to the ground infrastructure, satellite capacity and other services provided to broadcasters and video programmers to enable them to distribute their content to multiple end-points in the United States; "government" refers to communications services provided to the U.S. Government for military, public safety, and other applications; "aviation" refers to communications services provided to air transportation service providers who serve either business customers or commercial aviation passengers; "maritime" refers to communications services provided to maritime customers; "fixed data" refers to communications services provided to fixed locations.).

[50] *See* Government White Paper at 15; Letter from Michele Farquhar, Counsel to SES, S.A., to Marlene H. Dortch, Secretary, FCC, (filed Apr. 30, 2025), Exh. A Appendix: Elimination of Double Marginalization Calculation at 2 (Elimination of Double Marginalization Appendix).

[51] We do not consider potential harms in consumer broadband Internet access services because neither Applicant offers such services to U.S. consumers. In addition, we note that, while we consider the potential effects of the proposed transaction on these service segments, we do not find that they are necessarily relevant product markets in an antitrust sense.

1. Media Services

a. Background.

18. In the United States, multichannel video programming distributors (MVPDs), broadcasters, and content providers sometimes use satellite services to transmit programming content to multiple end-points across wide geographic areas. Within media services, the Applicants supply services in three different situations, which are distinguished by the users of the service and the satellite bands over which the service is generally provided. In the direct-to-home (DTH) segment, the Applicants predominantly use the Ku-band to provide satellite capacity to satellite-based MVPDs to broadcast their programming content directly to consumers.[52] In the distribution segment, content providers such as television and cable networks contract with the Applicants to distribute their content nationally to terrestrial video programming distribution networks, such as over-the-air (OTA) broadcasters and cable systems.[53] Satellite media distribution services are generally provided over C-band spectrum, but programmers also use the Ku-band. In the contribution segment, content providers use satellite capacity to uplink raw content from a content production location (e.g., a sports stadium) back to a studio where the content may then be edited and distributed.[54] Unlike distribution services, contribution services are generally point-to-point services for which customers can use nearly any available transmission technology to connect the relatively limited number of endpoints.[55] Both contribution and distribution services may be purchased on a full-time or occasional use basis, depending on the customer's needs.[56]

b. Record

19. The Applicants claim that the transaction will not harm media services competition and indeed will even increase competition.[57] In particular, the Applicants argue that media customers have several alternative distribution options, including terrestrial fiber networks, which have become increasingly competitive with their satellite-based services;[58] and argue that changing video consumption patterns among consumers have reduced demand for traditional linear television service, and therefore, the Applicants' programming distribution services as well. The Applicants assert that their revenues from media services have declined due to increased competition and reduced demand for their services.[59]

20. *Alternative Distribution Options.* The Applicants state that their media distribution customers can use not only other satellite providers,[60] but also ubiquitous terrestrial fiber networks.[61]

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[52] SES Feb. 3, 2025 RFI Response, Exh. A at 7.

[53] *Id.* at 1-2, 6.

[54] *Id.* at 2, 6; Media White Paper, Appx. at 26.

[55] SES Feb. 3, 2025 RFI Response, Exh. A at 28; *see also* Media White Paper, Appx. 1.

[56] SES Feb. 3, 2025 RFI Response, Exh. A at 6.

[57] Media White Paper at 1.

[58] Narrative at 11, 19; Consolidated Response at 5; Media White Paper at 3, 20; SES Feb. 3, 2025 RFI Response, Exh. A at 1, 14-15, 24.

[59] Consolidated Response at 10-12; *see also* Media White Paper at 1-2.

[60] Narrative at 19; Consolidated Response at 7.

[61] Narrative at 11-12, 19-20; Consolidated Response at 5, 8; Consolidated Reply at 2-3; SES Feb. 3, 2025 RFI Response, Exh. A at 14-15, 22-27. {

}. SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 13; Media White Paper at 14. Material that is set off by double brackets {[ ]} is subject to a request for confidential treatment and is redacted from the public version of this document.

While they acknowledge that satellite transmission is an important delivery mechanism for media companies, they argue that this role has been declining and will continue to decline as programmers increasingly rely on IP-based transmission services via terrestrial fiber networks.[62] The Applicants claim that cable headends and broadcast stations are now widely connected to reliable high-capacity fiber that is capable of distributing programming at very competitive prices, and that terrestrial alternatives are increasingly competitive.[63] The Applicants also claim that areas without terrestrial substitutes for satellite distribution are rapidly disappearing due to increased broadband buildout and federal subsidies.[64]

21. To support these claims, the Applicants use the Broadband Data Collection (BDC)[65] data and find that more than 98% of the U.S. population resides in a Census block group with five or more broadband options offering download speeds of 40 Mbps or greater.[66] They further argue that, in the small number of locations that lack fiber access, they would be unable to raise prices for their satellite capacity because they negotiate a single price over the wide coverage area of their spot beams,[67] and that customers are citing the wide availability and viability of fiber distribution in negotiations to secure better pricing and contract terms.[68] The Applicants also maintain that the increase in fiber network access has led to a proliferation of companies specializing in media contribution and distribution services, and that these terrestrial managed service providers are winning customers.[69] They then identify a number of content providers that have already switched from distributing some of their programming from satellite to fiber-based distribution, and they assert that these customer migrations will accelerate as even more cable head-ends are connected to fiber.[70]

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[62] Narrative at 11-12, 19-20.

[63] Media White Paper at 11-12; SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 15, 21.

[64] Consolidated Response at 9; Media White Paper at 16; SES Feb. 3, 2025 RFI Response, Exh. A at 22.

[65] FCC, Broadband Data Collection (Dec. 19, 2024), https://www.fcc.gov/BroadbandData.

[66] Media White Paper at 4-5, Fig. 1; SES Feb. 3, 2025 RFI Response, Exh. A at 17. The Applicants also find that: (1) 80% of Americans live within 25 kilometers of a fiber backbone; (2) {[ ]}; and (3) {[ ]}. *See* Letter from Michele Farquhar, Counsel to SES, S.A., to Marlene H. Dortch, Secretary, FCC, Exh. A, "2025.02.19 - DOJ Media Presentation" at 24-27 (filed Apr. 30, 2025) (DOJ Media Presentation); SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 16-17.

[67] Consolidated Reply at 5; Media White Paper at 13; SES Feb. 3, 2025 RFI Response, Exh. A at 5. The Applicants argue that due to large beam sizes, they must offer a single combined price for the entire area of the beam and not on the characteristics of any smaller areas within the beam. Consolidated Reply at 5. *See also* Media White Paper at 3 (noting that nature of satellite distribution is that signal is transmitted to all receivers within the beam's coverage); Consolidated Reply at 9 (noting that negotiations do not depend on whether alternatives exist at particular locations).

[68] Consolidated Response at 9; Consolidated Reply at 4-5. For example, {[}. Media White Paper at 14; SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 5; SES-2R-0005559, at SES-2R-0005560 (SES, FW: {[ ]} Satellite Agreement, May 2, 2024).

[69] Media White Paper at 13 (Encompass Digital Media and LTN Global advertise their terrestrial and IP-based distribution services as a competitive alternative to satellite distribution), Media White Paper at 14 (noting that {[}).

[70] *See, e.g.*, Media White Paper at 2, 4, 13, 19-20. *Id.* at 17 (noting that SES {[ ]}). SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 15 (noting that {[

(continued….)

22. Commenters disagree. Eutelsat claims that the combined entity would control almost all satellite media distribution in the United States.[71] It asks the Commission to examine the potential competitive impacts of the merger on C-band services and to adopt any necessary conditions to mitigate such impacts.[72] NCTA claims that Intelsat and SES together "hold the lion's share of the C-band in the United States" and further asserts that "there is no viable alternative transmission mechanism for video distribution that offers reliability, ubiquity, or affordability equivalent to that of the C-band."[73] It contends that alternative satellite bands have lower quality and insufficient capacity to deliver video programming.[74] It also argues that C-band satellite service is still the dominant mode of distribution for programming today, and that the largest cable operators receive, on average, more than 80% of their cable programming signals via the C-band.[75] NCTA and NAB further note that terrestrial distribution options are not available at some rural facilities and that they may be very costly where they are available.[76] Even in the cases where fiber delivery is cost effective, NAB contends that terrestrial delivery does not have the same reliability as satellite distribution.[77] For these reasons, NCTA and NAB ask the Commission to ensure that the Applicants maintain the same quality of C-band service to cable providers and consumers post-transaction.[78]

23. *Changing Consumption Patterns.* The Applicants state that consumer media consumption patterns have changed drastically and that, as a result, consumers are switching away from traditional linear video consumption via broadcast television, cable and DTH satellite, all of which rely upon the Applicants' satellite distribution services, to IP-based consumption via over-the-top (OTT) platforms, which generally do not rely on satellites for distribution.[79] They further note that such OTT

]}). *Id.* at 9 (noting that SES also {[ ]}, among others). Media White Paper at 19 (noting that Intelsat's satellite Media business "{ }"). DOJ Media Presentation at 13 (noting that {[ ]}). SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 26 (citing that {[ ]}). Media White Paper at 20 (noting that {[ ]}). *Id.* at 10; SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 15 (noting that {[ ]}). Media White Paper at 19 (noting that Intelsat's satellite Media business "{[}").

[71] Eutelsat Comments at 5. *See also* NAB Reply at 3.

[72] Eutelsat Comments at 5 (noting that Intelsat and SES hold 49.8% and 46.4%, respectively, of satellite content distribution market in the United States). *See also* Eutelsat Reply at 1.

[73] NCTA Comments at 1,7.

[74] *Id.* at 8.

[75] *Id.* at 3.

[76] NAB Reply at 2; NCTA Comments at 7 (noting that fiber deployment is resource-intensive and particularly difficult in remote areas due to sparse population and rugged terrain).

[77] NAB Reply at 2.

[78] NCTA Comments at 1; NAB Reply at 1.

[79] Narrative at 22; SES Feb. 3, 2025 RFI Response, Exh. A at 1, 8, 10-11, 15-20, 29-31; Media White Paper at 4-11. These OTT services include both non-linear distributors, such as Netflix, as well as virtual MVPDs (vMVPDs), such as YoutubeTV, that provide linear streaming services. *See also id.* at 1, 7 (the number of households in the United (continued….)

platforms give content providers a direct distribution channel to reach their video customers, and therefore, that the proposed transaction will not result in any competitive harms.[80] As a result of these changes, they claim that OTT services have had a direct impact on their distribution revenues.[81] Commenters counter that the availability of OTT services and terrestrial fiber has not reduced the importance of C-band service in media distribution, and contend that OTT services may be complements to C-band distribution in some cases.[82]

24. *Declining Media Revenues.* The Applicants argue that the decline in their media service revenue is evidence of the effects of consumer "cord-cutting" and of the intensifying competition in media service distribution that they face; they further claim that they expect these trends to continue.[83] They point to declines in their media segment revenues and to the lower demand for C-band capacity in North America. The Applicants' analysis of their media services segment shows that their U.S. media revenues declined at compound annual growth rates (CAGRs) of {[

]}.[84]

c. Discussion

25. Publicly available data suggest that the Applicants distribute over 95% of all video programming that distributed over C-band satellite service to the U.S.[85] However, this calculation excludes the distribution of programming via satellite using other bands and terrestrial media distribution options, which we find are important substitutes for programmers today and are likely to grow in importance over the next several years as programmers increasingly adopt such services. As discussed below, we find that post-transaction, any attempt by the Applicants to raise media distribution prices or otherwise act anticompetitively would be defeated by customers switching either to alternative C-band providers, to Ku-band satellite providers, or to various terrestrial alternatives.

26. *Alternative C-Band Satellite Providers*. Both Telesat and Eutelsat have contiguous United States (CONUS) C-band coverage and substantial C-band satellite capacity available to serve

States with a traditional MVPD subscription is down approximately 30 million from 2019 to 2024 and is expected to fall another 13 million by 2028); SES Feb. 3, 2025 RFI Response, Exh. A at 18 ("[T]he Parties' Media customers are investing heavily in OTT and Internet-based streaming services to deliver their content to audiences directly."); Media White Paper at 10 (noting that {[ ]}); *id.* at 16 ("{[']}.")

[80] Narrative at 20-21; *see also* Media White Paper at 1, 15.

[81] Consolidated Response at 11-12.

[82] *See* NCTA Comments at 7-8; Eutelsat Comments at 5.

[83] Consolidated Response at 10-12; *see also* SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 8 ("Over the last eight years, SES's Media business is down {[ ]} in its video distribution business in the United States and Europe . . .it has {[ ]} Media customers.").

[84] SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 11-12; *see also* Media White Paper at 2.

[85] Eutelsat Comments at 5; Eutelsat Reply at 3. Of the 1,021 video channels distributed to the United Stated via C-band, SES and Intelsat distribute 982 of these channels, which implies a 96% post-transaction share for the combined firm (46.4% and 49.8%, respectively). Eutelsat Comments at 5; Eutelsat Reply at 3.

media service customers.[86] The Applicants' documents demonstrate that they view these operators as competitors in the media distribution and contribution segments.[87] And the Applicants' analysis of data from Novaspace confirm that all C-band operators currently have {[ ]} in North America and that C-band {[ ]}.[88]

27. *Other Bands.* While C-band is currently the primary satellite band used for media distribution, Ku-band is a potential substitute capable of providing nationwide media distribution, one that has long been used by the NBC broadcasting network to distribute programming to its affiliates.[89] Furthermore, the Applicants serve several other programmers that use Ku-band capacity for audio and video distribution.[90] This evidence suggests that Ku-band is a potential substitute satellite band that programmers could switch to for their media distribution services.

28. *Terrestrial Fiber.* The Applicants' documents provide extensive evidence that terrestrial fiber technology is a strong substitute for their media contribution services and that it is also quickly emerging as a significant substitute for media distribution services.[91] There are now a large number of providers that offer terrestrial IP media distribution solutions using new transmission technologies that provide reliable quality of service.[92] As a result, many of the Applicants' media customers have switched from satellite to the terrestrial-IP media services offered by these competitors.[93]

29. The Applicants contend that fiber is also now available nearly nationwide for programmers seeking to distribute content.[94] Based on BDC data, the Applicants contend that almost all cable subscribers are connected to headends in DMAs where their cable operator offers wired gigabit broadband.[95]

30. FCC staff performed an independent analysis of fiber availability and came to a similar conclusion that fiber is a widely available alternative delivery technology for media services. This

[86] Telesat, North America Video Services, https://www.telesat.com/broadcast/ (last visited May 6, 2025); Eutelsat, FEEDING DTT, CABLE & IP HEAD-ENDS, https://www.eutelsat.com/en/satellite-communication-services/broadcasting-solutions/dtt-cable-ip-ott-multiscreen-fta-satellite-distribution.html?#dtt--cable---ip (last visited May 6, 2025).

[87] SES-FCC-00000001, at SES-FCC-00000004 (SES, Competitor Strategy Updates H2 2023, No date available). ISAT-2R-002817894, at ISAT-2R-002817901 (Intelsat, Regional Market Update Corporate Strategy, June 2024).

[88] DOJ Media Presentation at 20.

[89] *See* Space Daily, *NBC Signs Long-Term Service Agreement with SES Americom* (Apr. 6, 2004) https://www.spacedaily.com/news/satellite-biz-04zz.html.

[90] ISAT-FCC-000000092 (Intelsat, Table D_USMedia 01_21 to 06_24, Feb. 3, 2025) (e.g., {]}); SES Feb. 3, 2025 Confidential RFI Response, Attach. Response to Request 12.xlsx, (Table D – Revenues) (SES Revenues Data) (e.g., {]}).

[91] ISAT-2R-002816890, at ISAT-2R-002816901 (Intelsat, Commercial and Technology Report, June 18, 2024).

[92] Media White Paper at 13; Comments of Zixi Inc. at 2-4, GN Docket 25-59 (filed Mar. 6, 2025) (Zixi Comments).

[93] *See supra* note 70.

[94] *See supra* note 61.

[95] *See supra* note 66.

analysis used the BDC data in conjunction with registered C-band earth station location data to calculate the percentage of C-band earth stations that are likely located within a certain distance of terrestrial fiber.[96] Specifically, we calculated the distance from each earth station to the nearest broadband fabric location where any provider reports having cable or fiber service with gigabit broadband download speeds.[97] We find that nearly 65% of C-band earth stations are located within 200 meters of a fabric location where gigabit broadband is available, and nearly 94% of earth stations are located within 1 mile of such a location.[98] We conclude that the vast majority of C-band earth stations are located in sufficiently close proximity to fiber such that they could feasibly switch to terrestrial fiber should SES attempt to raise the prices for C-band media services post-transaction, and therefore, post-transaction, SES should have no incentive or ability to raise media service prices.

31. As we do not have revenue or customer data available from terrestrial fiber distributors of media content, it is difficult to determine the current shares of fiber versus satellite in the media distribution segment. The best evidence available in the record is a study commissioned by Intelsat, which found that the current terrestrial-IP market share for North American video distribution is significant, approximately {[ ]}% in 2023, and is expected to grow substantially over the next few years, with an estimated share of {[ ]}% by 2028.[99] This analysis suggests that terrestrial fiber will likely become the dominant technology in the media segment in the near future,[100] and it provides strong support both to the Applicants' claim that post-transaction SES will be "{[ ]}"[101] and to our ultimate conclusion that the proposed transaction will not lead to any anticompetitive harms in the media segment.

32. *Declining Media Revenues.* Applicants' argue that their revenues from media services have declined due to increased competition from terrestrial distribution and the decline in traditional linear television due to consumer adoption of OTT video platforms.[102] FCC staff extended the Applicants' underlying analysis along several dimensions and reached a similar conclusion that their media revenues have been steadily declining due to customers substituting to alternative media delivery platforms.

[96] FCC, Broadband Data Collection (Dec. 19, 2024), https://www.fcc.gov/BroadbandData (BDC data); Letter from Sanga Chandel, RSM US LLP, to Marlene H. Dortch, Secretary, FCC, Dockets WTB 18-122, GN 23-97, Attach. (filed May 24, 2023) (C-band earth station data from the C-band transition).

[97] BDC locations data with respect to coverage are part of the Broadband Serviceable Location Fabric. *See* FCC, *What is the location Fabric?* (Mar. 3, 2023), https://help.bdc.fcc.gov/hc/en-us/articles/5375384069659-What-is-the-Location-Fabric. Locations in this analysis include broadband serviceable locations (BSLs) and non-BSLs. A BSL is a business or residential location in the United States at which mass-market fixed broadband Internet access is, or can be, installed. *See* FCC, *About the Fabric: What a Broadband Serviceable Locations (BSL) Is and Is Not* (Apr. 15, 2025), https://help.bdc.fcc.gov/hc/en-us/articles/16842264428059-About-the-Fabric-What-a-Broadband-Serviceable-Location-BSL-Is-and-Is-Not.

[98] Nearly 99% of C-band earth stations are within 5 miles of a fabric location with gigabit broadband speeds.

[99] ISAT-2R-001871651, at ISAT-2R-001871689 (Intelsat, Intelsat Media Commercial Strategy – Phase 2 IP Delivery & Vendor Profiles, Dec. 2023).

[100] *Id.*

[101] DOJ Media Presentation at 33.

[102] Media White Paper at 1-2, 16-19.

33. Based on Intelsat's media customer revenue data,[103] we find that media revenues have declined {[ ]}.[104] For full-time media distribution, we find Intelsat's revenue data support the Applicants' argument and are consistent with the Applicants' losing customers to terrestrial fiber media distribution options. Specifically, {[ ]}.[105] We further find that the observed decline in the Applicants' media distribution revenues likely understates the true competitive constraint that fiber has on the Applicants' pricing because of the use of long-term contracts in this industry. To receive discounted pricing, most media customers sign multi-year distribution contracts, sometimes lasting {[ ]} or more years.[106] Thus, only a relatively small fraction of the Applicants' media services customers are at risk of being lost to terrestrial fiber or other competitors each year. Indeed, {]} suggest that competition for media services is stronger than the revenue data facially indicate.

34. *Excess C-band Capacity.* As economists and the courts have recognized, when firms face competition, substantial excess capacity in an industry provides favorable conditions for aggressive pricing.[107] A review of the current record indicates that the Applicants have substantial excess North American C-band capacity. Novaspace data show that the 2025 supply of C-band capacity is {[ ]}.[108] Public statements by the Applicants confirm that they have excess North American C-band capacity. For

[103] Intelsat Revenues Data; Media White Paper Backup. We focus on Intelsat for our revenue analysis because the SES data did not permit us to address all of the potential issues we identified with the Applicant's original analysis. The SES data could not be delineated as cleanly into the different service categories (e.g., contribution, distribution etc.) and it did not clearly categorize managed versus non-managed service revenues. *See* SES Revenues Data; Media White Paper Backup.

[104] ISAT-FCC-000000092 (Intelsat, Table D_USMedia 01_21 to 06_24, Feb. 3, 2025); *see also* Media White Paper Backup. Our analysis found that the contribution, DTH, and occasional use media subsegments accounted for {[ ]}. Specifically, {[ ]}, and { }. Consistent with the Applicants' claims, we conclude from these trends in revenues within each of these subsegments that the proposed transaction is unlikely to pose competitive concerns for contribution, occasional use and DTH media services. *Id.*

[105] ISAT-2R-002816136, at ISAT-2R-002816143 (Commercial Business Unit Performance (Media, Networks, Mobility), May 24-25, 2022). {]}. *Id.*

[106] SES Media Revenues Data; SES Feb. 3, 2025 RFI Response, Attach. Response to Request 12.xlsx (Table D – Capacities) (SES Media Capacity Data); ISAT-FCC-000000092 (Intelsat, Table D_USMedia 01_21 to 06_24, Feb. 3, 2025) (Intelsat Media Capacity Data).

[107] *See* Seth Sacher and Jeremy Sandford, *The Role of Capacity in Antitrust Analysis*, 12 J. Comp. L & Econ. 661–700 (2016) (". . . as excess capacity increases, competition becomes more intense, resulting in greater output, a lower price and lower profits."). *See also* Jonathan Baker, *Mavericks, Mergers, and Exclusion: Proving Coordinated Competitive Effects under the Antitrust Laws*, 77 N. Y. Univ. L. Rev. 135, n.166, (2002) (citing FTC v. Cardinal Health, Inc., 12 F. Supp. 2d 34, 63-64 (D.D.C. 1998)).

[108] DOJ Media Presentation at 20. In terms of spectrum utilization, these figures imply that, on average, North America C-band operators are {[ ]}.

example, SES has said that it would be possible to reallocate an additional 100 megahertz or more of C-band spectrum.[109] Furthermore, there are significant number of C-band users that have not transitioned to higher compression HEVC technology,[110] which has been shown to reduce the required bit rate for the same video quality by 50% or more.[111] Finally, as noted above, a study commissioned by Intelsat projects that terrestrial-IP will account for {[ ]}% of the North American media distribution segment by 2028, which indicates that, in the near future, there will likely be even greater excess C-Band capacity, which would tend to increase the incentive of all C-band licensees to further lower prices.

35. Overall, we conclude that the proposed transaction is unlikely to cause competitive harm in the media segment due to the competition that the Applicants will continue to face from both Eutelsat and Telesat, the other two satellite operators with CONUS coverage and from the numerous terrestrial media distribution options that have recently entered and are quickly gaining share as existing satellite capacity contracts expire.[112]

2. Aviation Services

36. The Applicants provide in-flight data and voice communications services (in-flight connectivity services or IFC services) to commercial aviation and business aviation customers on multiple bands and orbits.[113] Intelsat provides IFC services directly to about 20 airlines, and earned approximately $384.4 million in in-flight service revenues in 2024.[114] SES primarily supplies capacity to other IFC service providers, such as Gogo (Intelsat), Panasonic, Thales, and Anuvu,[115] and earned approximately $165 million in in-flight service revenues in 2024.[116] For purposes of evaluating this transaction, we

[109] *See* SES S.A., FY 2024 Earnings Call Transcripts, February 26, 2025 ("FCC made their intentions and objectives very clear. They would like to get more than 100 megahertz. Is it possible technically? Yes, it's possible.").

[110] *See* DOJ Media Presentation at 21.

[111] Rajitha Weerakkody, Marta Mrak, Vittorio Baroncini, Jens-Rainer Ohm, Thiow Keng Tan, Gary J. Sullivan, *Verification testing of HEVC compression performance for UHD video*, (2014), https://ieeexplore.ieee.org/document/7032288 (last visited June 12, 2025).

[112] Since we find the merger raises no competitive concerns with respect to media distribution using the C-band, we do not address proposals to divest satellites to resolve such concerns. *See e.g.*, Letter from Nicholas Degani, Partner, Willemstad Holdings, to Marlene Dortch, Secretary, FCC, GN Docket No. 25-59 et al., at 1 (filed June 20, 2025).

[113] Examples of IFC services include Internet access, streaming content, voice communications, and cockpit communication and safety-of-flight services. *See e.g.*, Intelsat, *Commercial Aviation*, https://www.intelsat.com/commercial-aviation/ (last visited May 2, 2025); Mobility and Fixed Data White Paper at 13 (Intelsat has a distribution agreement with OneWeb to distribute Oneweb's service over a multi-orbit IFC solution); SES Feb. 3, 2025 Confidential RFI Response at 47 (noting that {

]}).

[114] Intelsat S.A. and Subsidiaries, Annual Report ended December 31, 2024 at 58, https://investors.intelsat.com/static-files/32a28ff9-4aab-4007-a714-59cc45b550ae.

[115] SES Annual Report 2024 at 26, https://www.ses.com/sites/default/files/2025-03/SES_AnnualReport24_4MAR25_final.pdf; Mobility and Fixed Data White Paper at 13.

[116] *See* SES Annual Report 2024 at 13, 26, https://www.ses.com/sites/default/files/2025-03/SES_AnnualReport24_4MAR25_final.pdf (noting that SES's mobility business comprises approximately 28% of its network revenues, of which approximately 50% is from inflight connectivity). Dollars amounts converted from euros based on the average year exchange rate of $1.0863/€ used by SES. *Id*. at 180.

consider all flights that originate, terminate, or otherwise stop in the United States.[117] Furthermore, we consider all providers of IFC services in our analysis, including satellite operators and resellers.[118]

37. *Commercial Aviation.* The Applicants claim that they are not direct competitors in commercial aviation, as Intelsat sells IFC services directly to aviation customers while SES does not.[119] The Applicants assert that the relevant level of analysis in commercial aviation should be direct sales of IFC services to aircraft and estimate Intelsat's 2023 markets share of this category to be {[ ]}%.[120] Other estimates of Intelsat's market share range between {[ ]}% and {[ ]}%.[121] In contrast, at the time the Applicants filed the Mobility and Fixed Data White Paper, SES did not directly provide IFC services.[122] SES does offer managed aviation services as part of Airbus's HBCplus program,[123] but HBCplus did not have any customers as of September 2024.[124]

38. We find that the proposed transaction is unlikely to result in any horizontal competitive harms in the commercial aviation segment. SES and Intelsat do not currently compete directly in commercial aviation, and HBCplus remains a nascent offering in which other satellite operators besides

[117] *See* SES RFI at 5; Intelsat RFI at 5. Due to data limitations, we frequently rely on data for North American IFC connected flights by aircraft.

[118] Satellite operators operate their own satellites and may also provide other satellite services, while resellers purchase all their satellite capacity to provide services. *Communications Marketplace Report*, GN Docket No. 24-136, 2024 Communications Marketplace Report, FCC 24-126, at 128-9, para. 178 (2024) (*2024 Communications Marketplace Report*).

[119] Narrative at 22.

[120] Mobility and Fixed Data White Paper at 16. The Applicants' reported share is global, comprising aircraft that may never enter the United States. The share also does not account for Starlink's recent contract to serve the entire United Airlines fleet. *Id*. at 2. Narrowing the analysis to active connected aircraft in respectively, North America and the United States, and assigning United Airlines aircraft to Starlink, we estimate that Intelsat's market shares of connected aircraft for North America and the United States are {[ ]}% and {[ ]}% respectively. *See* Letter from Michele Farquhar, Counsel to SES, S.A., to Marlene H. Dortch, Secretary, FCC, Attach. Valour Consultancy IFC Tracker, Q3 2024 (filed Jan. 8, 2025) (Valour Consultancy IFC Tracker, Q3 2024). We expect these figures to decline based on projected {[ ]}. *Id.*

[121] Market analysts estimate that Intelsat's global market share of connected aircraft was {[ ]}% in 2023 whereas Intelsat's ordinary course of business documents estimate their 2022 global market as approximately {[ ]}%. SES-FCC-00000138, at SES-FCC-00000278 (Novaspace, *Satellite Connectivity and Video Market*, Sept. 2024); ISAT-2R-002819015, at ISAT-2R-002819019 (Intelsat | Growth Opportunities, July 2022). By comparison, market analysts estimate that Intelsat's North American share of connected aircraft was {[ ]}%. SES-02968240 at SES-02968303 (Euroconsult, *Prospectus for In-Flight Entertainment and Connectivity*, Sept. 2023).

[122] Mobility and Fixed Data White Paper at 16.

[123] Airbus, *High Bandwidth Connectivity Plus (HBCplus)*, https://aircraft.airbus.com/en/services/enhance/connectivity/hbc-plus (last visited Apr. 30, 2025).

[124] Mobility and Fixed Data White Paper at 13. Since that time, HBCplus has acquired at least two customers that offer flights to and from the United States. Press Release, SES, Two National Airlines Choose a Seamless Multi-orbit IFC Future with SES Open Orbits™ (Oct. 30, 2024), https://www.ses.com/press-release/two-national-airlines-choose-seamless-multi-orbit-ifc-future-ses-open-orbitstm.

SES participate.[125] Furthermore, Intelsat faces robust competition from both GSO and NGSO competitors and is likely to face increased competition as a result of additional entry into this segment.[126]

39. Since SES supplies satellite capacity to other IFC providers, the proposed transaction has a vertical aspect. We find, however, that the proposed transaction is unlikely to result in any vertical competitive harms. The Applicants' ability to foreclose or raise their downstream rivals' costs post-merger is limited by the fact that their share of total satellite capacity is dwarfed by the capacity of LEO providers. We agree with the Applicants that capacity is fungible across different uses and frequency bands, and that any satellite operator could feasibly supply satellite capacity to providers of satellite services in the aviation segment.[127] The Applicants estimate that their combined share of North American NGSO and GSO capacity was {[ ]}% in 2024, and project that their share of capacity will become {[ ]}% by 2028.[128] While we do not have data on satellite capacity limited to the United States, we estimate that the Applicants accounted for at most {[ ]}% of all leased GSO and NSGO capacity revenues in North America, and we expect that this is likely to {[ ]}% in 2025.[129] We anticipate that this

[125] Press Release, SES, Two National Airlines Choose a Seamless Multi-orbit IFC Future with SES Open Orbits™ (Oct. 30, 2024), https://www.ses.com/press-release/two-national-airlines-choose-seamless-multi-orbit-ifc-future-ses-open-orbitstm. We do not have data to quantify SES's HBCplus market share based on its two contracts, but with only two customers the market share is unlikely to be large enough to raise competitive concerns.

[126] For example, in late-2023, Delta chose to switch from Intelsat to Hughes Network Systems for IFC service to 400 Boeing 717 and smaller regional jets serving North America. Jason Rainbow, *Delta Swapping Out Intelsat Wi-Fi for Hughes on 400 Planes* (Nov. 1, 2023), https://spacenews.com/delta-swapping-out-intelsat-wi-fi-for-hughes-on-400-planes/. In addition to recently signing a contract to provide IFC services to United Airlines, Starlink has or was expected to contract with Qatar Airways, JSX Air, Hawaiian Airlines, AirBaltic, ZIPAIR, and Air New Zealand. *See Simple Flying* (Feb. 18, 2024), https://simpleflying.com/starlink-aviation-wifi-guide/. Amazon's Kuiper, which in April 2025, began to launch satellites for its planned LEO constellation, has recently signed a memorandum of understanding with Airbus as part of its HBCplus program. *See* Jeff Foust, *Atlas Launches First Operational Project Kuiper Satellites* (Apr. 29, 2025), https://spacenews.com/atlas-launches-first-operational-project-kuiper-satellites/; Press Release, Airbus, Airbus and Amazon's Kuiper Team-up to Offer LEO Satellite Network for HBCplus (April 8, 2025), https://aircraft.airbus.com/en/newsroom/web-story/2025-04-airbus-and-amazons-kuiper-team-up-to-offer-leo-satellite-network-for.

[127] LEO White Paper at 7-9.

[128] SES Feb. 3, 2025 Confidential RFI Response at 33. We note that these shares comprise high throughput satellite (HTS) capacity and widebeam (or regular) capacity. HTS refers to satellites that offer significantly more capacity compared to traditional fixed satellite services by utilizes multiple spot beams to achieve a more targeted and efficient distribution of bandwidth. *See* Editorial Teams, *SATNow* (Feb. 12, 2025), https://www.satnow.com/community/what-are-high-throughput-satellites-hts.

[129] SES-FCC-00000137 (NSR, NAM, July 2024). A market analysis by NSR finds that in 2022, SES and Intelsat leased, respectively, {[ ]}% and {[ ]}% (or a combined {[ ]}%) of North American leased regular capacity, and that, at most, the Applicants combined to lease {[ ]}% of North American leased HTS capacity. *Id.* HTS refers to satellites that offer significantly more capacity compared to traditional fixed satellite services by utilizing multiple spot beams to achieve a more targeted and efficient distribution of bandwidth. *See also* Editorial Teams, *SATNow* (Feb. 12, 2025), https://www.satnow.com/community/what-are-high-throughput-satellites-hts. The share, {[ ]}% represents the share of satellite operators other than {[ ]} and subsumes {[ ]}. SES-FCC-00000137 (NSR, NAM, July 2024). Market analysts also estimate 2022 North American aggregate leased capacity revenues of ${[ ]}, with {[ ]}% and {[ ]}% of this comprising of, respectively, leased regular and leased HTS GSO capacity. *Id.* The share, {[ ]}%, represents the total of leased regular C-band, Ku-band, and Ka-band revenue in Exhibits 2.35, 2.36, 2.37, 2.38, 2.41 divided by ${[ ]}. *Id.* The share {[ ]}% is calculated analogously. *Id.* We then calculate the Applicants' combined share of North American leased regular and leased HTS capacity revenues as, respectively, {[(continued….)

downward trend in the Applicants' capacity share will continue as existing LEO providers expand their fleets and new LEO providers enter the market, and that this additional capacity would make any post-transaction foreclosure strategy unprofitable.[130]

40. We also note that the Applicant's ordinary course of business documents from 2023 show that SES's predicted commercial aviation profits {[ ]},[131] and that Intelsat has had {[ ]} in the commercial aviation segment between 2022 and 2023, which suggests that neither firm has substantial market power in this segment, either in the downstream supply of aviation services to customers or the upstream supply of capacity to aviation providers.[132] Finally, as we discuss in section VI, we find that the proposed transaction will likely create an incentive for the combined company to lower prices due to the elimination of double marginalization associated with Intelsat's capacity leases to SES.

41. *Business Aviation.* SES offers business IFC services exclusively through its own network, while Intelsat offers business IFC services using its own spectrum and spectrum it leases from other satellite companies.[133] In addition, both SES and Intelsat supply satellite capacity to third-party providers offering business aviation services.[134] For SES, the supply of capacity to third parties constitutes the majority of its business aviation revenues.[135]

42. We find that the proposed transaction will not result in competitive harm to the provision of IFC services to U.S. business aviation customers for two main reasons. First, the Applicants are relatively small players in this segment and do not compete against each other to any significant extent. Indeed, Intelsat only provides service to a single provider in this segment,[136] and SES's ordinary course of business documents confirm its limited presence, stating that {[ ]}% of its revenues come from

]}% and {[ ]}%, which add up to approximately {[ ]}%. *Id.* We note that these calculations rely on the relatively strong assumption that leased revenue per unit of capacity does not vary across market segments or participants. Our 2025 estimate is calculated analogously, using forecast North American revenue, but with 2022 market shares. *Id.*

[130] Market analysts estimate that NGSO leased capacity revenues in North America will exceed ${[ ]} and will go from {[ ]}% of leased capacity revenues in 2022 to {[ ]}% in 2030. SES-FCC-00000137 (NSR, NAM, July 2024).

[131] SES-FCC-00005041, at SES-FCC-00005044 (SES, Due Diligence Report Draft Project Indiana, Apr. 21, 2023).

[132] In 2022, Intelsat forecasted adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) {[ ]} in the segment. ISAT-2R-002815947, at ISAT-2R-002815951 (Intelsat, Business Unit Performance, Aug. 31, 2022). For the first half of 2023, Intelsat found that after subtracting variable costs, segment profits were {[ ]}% of revenue and in line with {[ ]}, which Intelsat described as {[ ]}. ISAT-2R-002816217, at ISAT-2R-002816220 (Intelsat, Commercial Report, Dec. 13, 2023); ISAT-2R-002816273, at ISAT-2R-002816286 (Intelsat, Commercial Report, Mar. 6, 2024).

[133] SES, *Business Aviation*, https://www.ses.com/find-service/commercial-aviation/business-aviation (last visited May 1, 2025). SES offers Luxstream in collaboration with Collins Aerospace, exclusively through SES's network. Intelsat, *Product FlexExec for Business*, https://www.intelsat.com/aviation/products/flexexec/ (last visited May 1, 2025). Intelsat offers IFC service directly through its FlexExec program. *See* Mobility and Fixed Data White Paper at 13-14.

[134] *See* Mobility and Fixed Data White Paper at 13.

[135] SES Feb. 3, 2025 Confidential RFI Response at 55.

[136] Mobility and Fixed Data White Paper at 14.

business aviation.[137] In addition, the Bureau previously found that Gogo, Iridium, and Viasat-Inmarsat are the largest providers in this segment,[138] and independent analysts agree.[139] Second, as with commercial aviation, we find that existing and future entry by LEO operators into the provision of IFC services in business aviation will result in substantially greater competitive pressure, both directly and by providing additional capacity to third-parties.

3. Maritime Services

43. Maritime communications services consist of communications services to mobile vessels, including merchant, passenger, leisure, and fishing vessels, as well as to fixed offshore sites.[140] SES directly offers a variety of such services using both GSO and MEO satellites[141] across multiple bands[142] whereas Intelsat operates exclusively as a supplier of capacity to third-parties.[143] SES's maritime business serves major cruise customers as well as one shipping line customer.[144] In 2023, SES earned approximately ${[ ]} million in U.S. maritime revenues,[145] and Intelsat earned approximately ${[ ]} million.[146]

44. The Applicants claim that they face a competitive environment in maritime services and that the merger would not reduce competition.[147] They assert that neither Intelsat nor SES are prominent players in this segment, and they point to Speedcast, Marlink, KVH, and Viasat-Inmarsat as the largest providers in this segment.[148] The Applicants also maintain that they are not direct competitors in the provision of managed services to downstream customers—as Intelsat has no integrated maritime service business[149]—and SES accounts for {[ ]}% of the global share of GSO-VSAT ("very small aperture terminals") equipped maritime vessels globally.[150] Finally, they emphasize that Starlink poses a strong

[137] SES-FCC-00008049, at SES-FCC-00008057 (Aero Strategy 2024: Vertical Strategy Day, June 12, 2024).

[138] *See Viasat-Inmarsat Order*, 34 FCC Rcd at 18, para. 38.

[139] One analysis classifies the market shares of Collins Aerospace, Intelsat, and Satcom direct as "{[ ]}." SES-02968240 at SES-02968351 (Euroconsult, *Prospectus for In-Flight Entertainment and Connectivity*, Sept. 2023).

[140] SES Feb. 3, 2025 RFI Response at 56; *see also* Mobility and Fixed Data White Paper at 4.

[141] Cruise mPowered, is a multi-orbit service that incorporates SES's GSO and MEO satellite network. SES, *Cruise*, https://www.ses.com/find-service/cruise (last visited May 8, 2025). Skala Global Network Platform is a managed service which uses SES and other satellite operators' capacity. Mobility and Fixed Data White Paper at 5.

[142] SES provides maritime services on the C-band, Ku-band, and Ka band. SES Feb. 3, 2025 RFI Response at 56.

[143] SES Feb. 3, 2025 RFI Response at 56; *see also* Mobility and Fixed Data White Paper at 5.

[144] SES Annual Report 2024, at 11, 26, https://www.ses.com/sites/default/files/2025-03/SES_AnnualReport24_4MAR25_final.pdf; *see also* SES-FCC-00008070 at SES-FCC-00008083 (SES, Cruise Growth Initiatives, June 12, 2024).

[145] SES Feb. 3, 2025 Confidential RFI Response at 56.

[146] Intelsat Feb. 3, 2025 Confidential RFI Response at 7.

[147] SES Feb. 3, 2025 RFI Response at 65; *see also* Mobility and Fixed Data White Paper at 13.

[148] SES Feb. 3, 2025 RFI Response at 56-57; *see also* Mobility and Fixed Data White Paper at 6.

[149] SES Feb. 3, 2025 RFI Response at 56.

[150] SES Feb. 3, 2025 Confidential RFI Response at 57-58; *see also* Mobility and Fixed Data White Paper at 6.

and growing competitive threat in maritime,[151] and that competition from LEOs will substantially reduce maritime service prices.[152] No commenter raised the issue of competitive harms in the maritime segment in the record.

45. We find that the proposed transaction is unlikely to result in competitive harms in maritime services. Since Intelsat does not sell directly to maritime customers, the Applicants do not compete directly, and therefore there will be no loss of head-to-head competition in the provision of managed services to maritime customers. Moreover, although Intelsat provides capacity to other competitors in the maritime segment, we see no potential vertical harms because we find that, with respect to maritime services: (1) satellite capacity within a given band is fungible across different uses;[153] (2) the Applicants' share of total capacity {[ ]} is relatively small and declining;[154] and (3) the Applicants' combined share is likely to decline as new LEO providers enter the market.[155]

4. Fixed Data Services

46. Fixed data services refers to satellite services sold to enterprise customers where the terminals are at fixed locations. Such fixed data services include: satellite mobile backhaul, network trunking, enterprise data networks connectivity, and services to energy companies, such as offshore oil and gas rigs.[156]

47. The Applicants contend that the proposed transaction will not cause competitive harms in any subsegment of fixed data services. They assert that they face intense competition, both from new LEO entrants with much greater available capacity[157] and from legacy GSO providers.[158] The Applicants argue that the proposed transaction will not meaningfully reduce competition for trunking because low-

[151] SES Feb. 3, 2025 RFI Response at 58-59, 61-63; *see also* Mobility and Fixed Data White Paper at 7, 9-13. The Applicants further claim that LEO services will surpass the total number of vessels served by GSOs by 2026. SES Feb. 3, 2025 RFI Response at 61. They also note that market analysts forecast that the revenue share of NGSOs will "increase to ~86% in the maritime vertical by 2032." SES Feb. 3, 2025 RFI Response at 63.

[152] SES Feb. 3, 2025 RFI Response at 64; *see also* Mobility and Fixed Data White Paper at 12.

[153] LEO White Paper at 7-9; ISAT-2R-002816217, at ISAT-2R-002816220 (Intelsat, Commercial Report, Dec. 13, 2023) (noting that {
]}).

[154] *See supra* note 129.

[155] Industry analysts expect that the trend of maritime customers switching from GSO to NGSO services will continue, predicting that the share of NGSO as the primary maritime communications link is expected to surge from 20% in 2023 to 90% in 2033. Satnews, *Novaspace's Prospects for Maritime Satellite Communication reveals the market share of Non-Geostationary Orbit solutions* (July 18, 2024), https://news.satnews.com/2024/07/18/novaspaces-prospects-for-maritime-satellite-communication-reveals-the-market-share-of-non-geostationary-orbit-solutions/.

[156] SES Feb. 3, 2025 Confidential RFI Response at 68; Intelsat Feb. 3, 2025 Confidential RFI Response at 8. In 2023, SES had U.S fixed data revenues of approximately ${[ ]} million. SES Feb. 3, 2025 Confidential RFI Response at 68. That same year, Intelsat earned approximately ${[ ]} million in fixed data revenues. Intelsat Feb. 3, 2025 Confidential RFI Response at 8.

[157] *See* Mobility and Fixed Data White Paper at 28 (noting that in 2023, {[,
]}).

[158] *Id.* at 24. We note that legacy competitors include Echostar-Hughes, Viasat-Inmarsat, Hispasat-AXESS, Telesat, and Eutelsat.

cost LEO providers are increasing their market share by offering "{[ ]}," and they further note that fiber is a direct substitute.[159] The Applicants point out that LEO providers are projected to capture approximately 80% of cellular backhaul and trunking service revenues by 2032.[160] The Applicants argue that the enterprise or commercial subsegment is already fiercely competitive and that LEO providers are already strong competitors in this subsegment.[161] In the energy segment, the Applicants claim there are also no competitive harms because the sector is dominated by Viasat-Inmarsat, Eutelsat, and Speedcast, which together account for {[ ]}% of the market.[162] Finally, the Applicants note that expanding fiber deployments have displaced satellite for fixed data services in many geographic areas as users' "medium of choice."[163]

48. We find that the proposed transaction is unlikely to result in competitive harms in the provision of fixed data services. The Applicants face strong competition with respect to this service segment, especially from LEOs, and all GEOs have lost, and are continuing to lose, business to competitors.[164] Indeed, internal documents assert that Starlink is the largest trunking player and one of the largest enterprise players, with shares of {[ ]}% and {[ ]}%, respectively.[165] Intelsat's position in the fixed data segment has similarly been affected by LEOs. Intelsat's ordinary course of business documents from the first half of 2023 highlight {[ ]}.[166] SES internal documents indicated similar competitive pressures on its fixed data services.[167] Other SES internal documents suggest that in mobile backhaul, Intelsat's position is {[

[159] Mobility and Fixed Data White Paper at 29.

[160] *Id.* at 28. *See also* Novaspace, High Throughput Satellites, 7th ed. at 85 (2024).

[161] Mobility and Fixed Data White Paper at 21, 30-31. { }. SES Feb. 3, 2025 Confidential RFI Response at 73; *see also* Mobility and Fixed Data White Paper at 25.

[162] Mobility and Fixed Data White Paper at 31.

[163] SES Feb. 3, 2025 RFI Response at 69.

[164] Mobility and Fixed Data White Paper at 26-31. *See also* SES-2R-0003297, at SES-2R-0003309 (SES, Risk Management Report, Apr. 3, 2024); SES April 30, 2025 RFI Response at 69, 72-73; ISAT-2R-000000771, at ISAT-2R-000000776 (Intelsat, Starlink : How do we compete, No date available); SES-FCC-00007818, at SES-FCC-00007822 (CEO Report: The Board of Directors Meeting, June 13, 2024) (noting that {[ ]}); ISAT-2R-000000683, at ISAT-2R-000000693 (Intelsat, Networks Growth Strategy 2023-26, No date available) (noting that {[}); SES-2R-0004168, at SES-2R-0004206 (SES, Enterprise & Cloud Security, May 16, 2024) (noting that {[ ]}).

[165] SES-2R-0004168 at SES-2R-0004230, SES-2R-0004240 (SES, Enterprise & Cloud Security, May 16, 2024).

[166] ISAT-2R-000000683, at ISAT-2R-000000693 (Intelsat, Networks Growth Strategy 2023-26, No date available).

[167] SES-FCC-00007818, at SES-FCC-00007822 (SES, CEO Report: The Board of Directors Meeting, June 13, 2024) (describing {[ ]}).

]}.[168] Finally, the Applicants internal documents also demonstrate that fiber is a strong competitor in the fixed data segment.[169]

49. Pricing trends provide additional evidence of the competitive pressures that the Applicants face in the fixed data segment. NSR reports that North American backhaul and trunking prices have declined due to increased supply and that backhaul and enterprise prices will likely fall in the future.[170] These trends are reflected in Intelsat's North America fixed data pricing reports,[171] and the Applicants' internal documents.[172] Finally, as stated above and as discussed in section VI, elimination of double marginalization may result in the lowering the Applicants' fixed data service pricing.

5. Government Services

50. Many U.S. Government agencies contract with commercial satellite operators and service providers for a variety of domestic and international satellite communication and data services.[173] U.S. federal agencies procure satellite services via a complex process that frequently involves the submission of formal or informal bids.[174] Both Applicants offer managed services and lease satellite transponder capacity to the U.S. Government across multiple spectrum bands and orbits.[175] In August 2022, SES acquired DRS Global Enterprise Services (GES), which roughly doubled its U.S. Government revenues.[176] In 2024, we estimate SES earned $442 million in revenue from sales to the U.S.

[168] SES-2R-0004168, at SES-2R-0004206 (SES, Enterprise & Cloud Security, May 16, 2024).

[169] *Id.*, at SES-2R-0004232 (SES, Enterprise & Cloud Security, May 16, 2024); ISAT-2R-002816642 at ISAT-2R-002816650 (Intelsat, Commercial Business Unit Performance (Media, Networks, and Mobility), May 24-25, 2022).

[170] Mobility and Fixed Data White Paper at 28-30; *see also* SES-2R-0002123, at SES-24-0002131 and SES-24-0002139-140 (NSR, *Satellite capacity pricing index, 10th edition*, Mar. 2024).

[171] ISAT-2R-002816273, at ISAT-2R-002816281 (Commercial Report, Mar. 6, 2024) (noting that {[.]}).

[172] *See, e.g.*, ISAT-2R-000000683, at ISAT-2R-000000749 (Networks Growth Strategy 2023-26); SES-2R-0004168, at SES-2R-0004186, SES-2R-0004187 (Enterprise & Cloud Security, May 16, 2024) (noting that {[ ]}); SES-FCC-00007907, at SES-FCC-00007949 (Strategy Days 2024, June 7, 2024) (noting that {[ ]}); SES-2R-0003297, at SES-2R-0003309 (Risk Management Report, Apr. 3, 2024) (noting that {[ ]}).

[173] *Viasat-Inmarsat Order,* 38 FCC Rcd at 4785, para. 21.

[174] *Id.*

[175] Government White Paper at 2; SES Feb. 3, 2025 RFI Response at 32.

[176] Press Release, SES, SES Doubles High-value US Government Business with $450 Million Acquisition of DRS Global Enterprise Solutions (Mar. 22, 2022), https://www.ses.com/press-release/ses-doubles-high-value-us-government-business-450-million-acquisition-drs-global.

Government.[177] We estimate Intelsat's revenue from U.S. Government sales in 2024 at approximately ${[ ]} million.[178]

51. Even though both Applicants serve the U.S. Government, including its military, and diplomatic and national security agencies,[179] they claim that they rarely compete directly.[180] The Applicants claim that, following SES's {[ ]} U.S. Government satellite communications provider whereas Intelsat predominantly provides wholesale satellite capacity in the government segment.[181] The Applicants also argue that established operators such as Viasat-Inmarsat, Eutelsat-OneWeb, EchoStar, and Hughes, as well as new, well-capitalized NGSO systems, like Starlink, compete for U.S. Government contracts. Furthermore, the Applicants claim that the proposed transaction will enhance the merged firm's ability to compete vigorously to serve U.S. Government customers.[182] No commenter in the record suggested that the merger would cause competitive harms in the government segment.

52. *Discussion*. We find that the proposed transaction is unlikely to result in competitive harms in the U.S. Government segment. As we explain below, direct competition between the Applicants is limited. Moreover, we anticipate that increased competitive pressures from NGSOs will restrain prices in the government services segment.

53. We find that the Applicants seldom compete directly against each other in the prime market. The Applicants present an analysis of SES internal data showing that, of {[ ]} potential contracts for satellite government services between January 1, 2018 and May 12, 2022, SES records Intelsat as a competing bidder only {[ ]} times.[183] We performed our own analysis using the USASpending.gov database, which contains monthly spending information from over 100 federal

[177] SES Annual Report 2024 at 26, https://www.ses.com/sites/default/files/2025-03/SES_AnnualReport24_4MAR25_final.pdf ("Government represents 50% of Networks. The business is comprised of approximately 75% of multiple U.S. defence and civilian agencies."). *Id*. SES's Network business unit generated €1,085 million across all regions in 2024, which implies that 50% of this revenue was due to the overall government segment and that 75% of this segment came from sales to the U.S. government. We use this to estimate 2024 U.S. Government revenues as €1,085 million × 0.5 × 0.75 = €406.9 million. Dollars amounts converted from euros based on the average year exchange rate of $1.0863/€ used by SES. *Id*. at 180. Alternatively, SES reported ${[ ]} in U.S. government revenues from January 2024 to November 2024. SES Feb. 3, 2025 Confidential RFI Response at 32, and at Attach. Response to Request 12.xlsx (Table C).

[178] Intelsat Feb. 3, 2025 Confidential RFI Response at 5; ISAT-FCC-000000092 (Intelsat, Table C_USALL 01_21 to 09_24, Feb. 3, 2025). Intelsat's January 2024 to September 2024 U.S. government revenue was ${[ ]}. *Id.* We approximate the additional three months of revenue as one third of revenue for the first 9 months (${[ ]} = ${[ ]} × (1+1/3)). *Id.*

[179] Narrative at 16.

[180] Government White Paper at 14.

[181] SES Feb. 3, 2025 Confidential RFI Response at 32. The Applicants estimate that SES's prime contract market share is approximately 25% while Intelsat has a prime contract market share of less than 0.5%. *Id*. at 44; *see also* Government White Paper at 13.

[182] Narrative at 18, 21.

[183] Government White Paper at 14-15 (noting that {

]}); *see also* SES-01324673 (SES, PAC DATA, No date available).

agencies" and which shows 5,509 awards for satellite telecommunications services during the five years spanning 2020-2024 with a total value of $3.36 billion.[184] Consistent with the Applicants' claims, we find that, while SES derives the much of its U.S. Government revenue from its role as a prime contractor that offers managed services to government customers, Intelsat rarely serves as a prime contractor to the U.S. Government.[185] Thus, we find that there was only limited head-to-head competition between the Applicants for the same government contracts.

54. Given that Intelsat acts primarily as a supplier of capacity for government services, we also considered whether the transaction might result in vertical anticompetitive effects. As stated above, a vertical transaction may cause anticompetitive harms by increasing a merged firm's incentive to "'raise rivals' costs," either by foreclosing supply of the input it sells to downstream competitors or by raising the price at which it sells the input to competitors."[186] Here, however, the Applicants' share of total satellite capacity is dwarfed by the capacity of LEO providers. Moreover, as we discuss in section VI, the proposed transaction should give rise to elimination of double marginalization associated with Intelsat's capacity leases to SES, which would effectively reduce SEC's marginal costs, and thus could lead to lower prices.

55. An additional factor suggesting that the transaction is unlikely to adversely affect competition in government services is that existing LEO providers have been expanding their fleets, while new LEO providers enter the market, both of which are likely to reduce the Applicants' share of government service revenues over time.[187] Moreover, this decline will likely accelerate due to the U.S. Government's shift to HTS capacity and the substantial increase in the supply of HTS capacity by the Applicants' competitors.[188]

VI. POTENTIAL PUBLIC INTEREST BENEFITS

56. We find that the proposed transaction is likely to generate certain transaction-specific public interest benefits. These include lower costs due to synergies and elimination of double marginalization, improved network quality, increased investment, national security benefits, and the creation of a more vigorous satellite competitor.

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[184] USASpending.gov, *Resources: Data Sources*, https://www.usaspending.gov/data-sources (last visited May 7, 2025). Not every executive branch agency and no agency in the judicial or legislative branch is required to report on USASpending.gov. Moreover, USASpending.gov does not include "information that could compromise national security." *Id*.

[185] SES's total revenues as a prime U.S. Government contractor (based on a sum of SES's "total_obligated_amount" revenues in USASpending.gov data) was approximately $198 million for 2024. In contrast, Intelsat's total revenues in 2024 as a prime U.S. Government contractor was much smaller: only approximately $29.1 million. USASpending.gov, *Resources: Data Sources*, https://www.usaspending.gov/data-sources (last visited May 7, 2025).

[186] *Verizon-TracFone Order*, 36 FCC Rcd at 17017-18, para. 56; *NewsCorp.-Hughes Order*, 19 FCC Rcd at 510, para. 78; *see also Comcast-NBC Universal,* 26 FCC Rcd at 4250-51, para. 29.

[187] Government White Paper at 8 (noting that SES considers {[ ]}); SES-FCC-00000840, at SES-FCC-00000844 (SES, MEO Government Strategy Workshop, Sep. 27, 2022) (noting that {[ ]}).

[188] {[ ]}. SES-2R-0001671, at SES-2R-0001789 (Euroconsult, *Satellite Connectivity and Video* Market, Sep. 2023). *See also supra* note 129.

57. The Commission finds a claimed benefit to be cognizable when it arises as a result of the transaction and likely could not be accomplished in the absence of the transaction[189] and is verifiable.[190] Because much of the information relating to the potential benefits of a transaction is in the sole possession of the applicants, they are required to provide sufficient evidence supporting each claimed benefit so that the Commission can verify its likelihood and magnitude.[191] Further, the Commission is "more likely to find marginal cost reductions to be cognizable than reductions in fixed cost"[192] as, in general, reductions in marginal cost are more likely to result in lower prices for consumers. And benefits expected to occur only in the distant future may be discounted or dismissed because, among other things, predictions about the distant future are inherently more speculative than predictions that are expected to occur closer to the present.[193]

58. The Applicants generally contend that the proposed transaction will: (1) free up financial resources for investments in innovative products and services, advanced technologies, new satellite capacity, and new ground equipment and platforms;[194] (2) improve the depth and quality of coverage;[195] (3) maximize spectrum utilization to offer customers greater bandwidth and ensure greater resiliency;[196] (4) produce a better backhaul offering;[197] (5) benefit national security;[198] and (6) enable the combined firm to more vigorously compete, including with well-financed LEO competitors.[199]

59. *Synergies.* The Applicants claim that the above benefits are only possible because the transaction will allow them to save a net present value of €2.4 billion,[200] arising from eliminating

[189] *See, e.g.*, *T-Mobile-Sprint Order*, 34 FCC Rcd at 10671, para. 214; *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9604, para. 50 (citing *AT&T-BellSouth Order*, 22 FCC Rcd at 5761, para. 202); *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, paras 273-74.

[190] *See, e.g.*, *T-Mobile-Sprint Order*, 34 FCC Rcd at 10671, para. 214; *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9604, para. 50; *AT&T-Leap Order*, 29 FCC Rcd at 2793-94, para. 132; *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10468, para. 87; *T-Mobile-MetroPCS Order*, 28 FCC Rcd at 2342, para. 58.

[191] *See, e.g.*, *T-Mobile-Sprint Order*, 34 FCC Rcd at 10671, para. 214; *AT&T-Leap Order*, 29 FCC Rcd at 2793-94, para. 132; *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10468, para. 87; *T-Mobile-MetroPCS Order*, 28 FCC Rcd at 2342, para. 58. In addition, "the magnitude of benefits must be calculated net of the cost of achieving them." *See, e.g.*, *AT&T-Leap Order*, 29 FCC Rcd at 2793-94, para. 132; *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10468, para. 87; *T-Mobile-MetroPCS Order*, 28 FCC Rcd at 2342, para. 58.

[192] *See, e.g.*, *T-Mobile-Sprint Order*, 34 FCC Rcd at 10671, para. 214; *CenturyLink-Level 3 Order*, 32 FCC Rcd at 9604, para. 50; *AT&T-Leap Order*, 29 FCC Rcd at 2793-94, para. 132; *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10468, para. 87; *T-Mobile-MetroPCS Order*, 28 FCC Rcd at 2342, para. 58.

[193] *See, e.g.*, *T-Mobile-Sprint Order*, 34 FCC Rcd at 10671, para. 214; *AT&T-Leap Order*, 29 FCC Rcd at 2793-94, para. 132; *Alaska Wireless-GCI Order*, 28 FCC Rcd at 10468, para. 87; *T-Mobile-MetroPCS Order*, 28 FCC Rcd at 2342, para. 58.

[194] Narrative at 13-14.

[195] *Id.* at 12.

[196] *Id.* at 14-15.

[197] *Id.* at 14.

[198] *Id.* at 16.

[199] *Id.* at 19.

[200] Press Release, SES, SES to acquire Intelsat: Investor Relations Frequently Asked Questions (May 6, 2024), https://www.ses.com/press-release/ses-acquire-intelsat-investor-relations-frequently-asked-questions. The Applicants claim approximately €210 million in annual run rate or {[net present value operational

(continued….)

duplicative expenses and lowering operational expenditures due to increased scale.[201] The Applicants claim that they will achieve 70% (over $1.6 billion) of these savings in three years.[202] We find the cost savings are based on reasonable assumptions and estimates based on the internal knowledge and analyses of the companies and in reference to industry benchmarks and standard methodologies.[203]

60. The Applicants claim savings of ${[ ]} from reducing operation expenditures.[204] While we find that claimed efficiencies in marketing and procurement and reductions in capacity purchases from third parties could lead to lower marginal costs,[205] other cost-savings that the Applicants identified are savings in fixed costs that do not depend on the level of output. Moreover, the Applicants do not explain how these marginal cost savings might be passed through to customers in the form of lower prices, so we only partially credit these as benefits.

61. *Investment in Capacity, Equipment, Products and Services, and Technology*. Capital expenditures synergies, estimated to be {[ ]} million in net present value,[206] are fixed costs and so would be unlikely to directly lead to lower customer prices.[207] Whether these synergies are cognizable therefore largely rests on whether these fixed-cost savings result in consumer benefits. The Applicants claim that the transaction "will free up financial resources" to invest in new products and services,

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expenditure synergies will stem "{[ ]}. SES, *Q1 2024 Results & Acquisition of Intelsat* at 11 (April 30, 2024), https://www.ses.com/sites/default/files/2024-04/2405_SES%20to%20Acquire%20Intelsat_IR%20PRESENTATION_FINAL.pdf; SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 76. Applicants claim approximately €160 million in annual run rate or {[ ]} net present value capital expenditure synergies will flow from {[ ]}. SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 76.

[201] Narrative at 13-14; SES Feb. 3, 2025 RFI Response, Exh. A at 76-78.

[202] Press Release, SES, SES to acquire Intelsat: Investor Relations Frequently Asked Questions (May 6, 2024), https://www.ses.com/press-release/ses-acquire-intelsat-investor-relations-frequently-asked-questions. SES-04664059 (SES, Synergies Overview, No date available).

[203] *See, e.g.*, SES-FCC-00000531, at SES-FCC-00000561 (SES, Update from Strategic Taskforce, Feb. 28, 2024); SES-FCC-00008850, at SES-FCC-00008852 (SES, Synergy Assessment, Apr. 2024); SES-04664059 (SES, Synergies Overview, No date available). A 2022 Credit Suisse report estimating potential synergies for a hypothetical SES-Intelsat merger comes to a similar $2.6 billion. Mark Holmes, Satellite Today, *Credit Suisse Report Highlights Synergy of Hypothetical SES/Intelsat Merger* (June 24, 2022), https://www.satellitetoday.com/finance/2022/06/24/credit-suisse-report-highlights-synergy-of-hypothetical-ses-intelsat-merger/.

[204] SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 76. We note that middle case estimates for the long-term value of these synergies vary across different versions of the calculations with different calculation assumptions. *Compare* SES-FCC-00000531, at SES-FCC-00000561 (SES, Update from Strategic Taskforce, Feb. 28, 2024) *with* SES-FCC-00008850, at SES-FCC-00008852 (SES, Synergy Assessment, Apr. 2024).

[205] *See* SES-FCC-00000531, at SES-FCC-00000561 (SES, Update from Strategic Taskforce, Feb. 28, 2024); SES-FCC-00008850, at SES-FCC-00008852 (SES, Synergy Assessment, Apr. 2024).

[206] SES Feb. 3, 2025 Confidential RFI Response, Exh. A at 76. *See also* SES-FCC-00000531, at SES-FCC-00000561 (SES, Update from Strategic Taskforce, Feb. 28, 2024); SES-FCC-00008850, at SES-FCC-00008852 (SES, Synergy Assessment, Apr. 2024) (containing estimates of annual synergies).

[207] Claimed operational savings in infrastructure could potentially also incentive greater investment. SES-FCC-00000531, at SES-FCC-00000561 (SES, Update from Strategic Taskforce, Feb. 28, 2024); SES-FCC-00008850, at SES-FCC-00008852 (SES, Synergy Assessment, Apr. 2024).

technologies, and capacity.[208] The Applicants highlight ground equipment and platforms, network orchestration, seamless integration, and their MEO network as potential investment and innovation targets.[209] These investment targets complement the Applicants' claims that the transaction will result in a more competitive multi-orbit network,[210] a more resilient network with more contiguous bandwidth,[211] and a better mobile backhaul offering.[212] We recognize that the Applicants face strong competition in multiple segments and so have incentives to invest in order to improve their products and to respond to competition.[213] SES's internal documents indicate its intention to use the additional cash flow from the proposed transaction on a wide variety of technological and quality improvements.[214] Although we cannot precisely quantify these expected benefits, we find that many of them are likely to be realized.

62. *National Security*. The Applicants claim that the transaction will "ensure long-term investment, resiliency and redundancy, greater operational efficiency and coverage, improved service and product quality, and more innovative offerings for U.S. Government customers."[215] They assert that the "U.S. Department of Defense has made it clear that it needs multi-orbit capabilities . . . to ensure that

[208] Narrative at 13.

[209] *Id.* Additional investment targets include "{[

}." LEO White Paper at 21. In investor presentations, SES also characterized the combination of their future satellites fleets as "investing in innovation." SES, *Q1 2024 Results & Acquisition of Intelsat* at 10 (April 30, 2024), https://www.ses.com/sites/default/files/2024-04/2405_SES%20to%20Acquire%20Intelsat_IR%20PRESENTATION_FINAL.pdf; SES, *March 2025 Investor Presentation* at 24 (Mar. 2025), https://www.ses.com/sites/default/files/2025-03/2503_Investor-Presentation_March.pdf.

[210] Narrative at 12. The Applicants point out that the benefits of a multi-orbit fleet have been recognized in the satellite industry, and operators are actively pursuing multi-orbit strategies. Jeff Foust, Space News, *GEO satellite operators seek multi-orbit strategies* (Jan. 26, 2022), https://spacenews.com/geo-satellite-operators-seek-multi-orbit-strategies/; Jason Rainbow, *Dawn of the multi-orbit era* (Mar. 11, 2024) https://spacenews.com/dawn-of-the-multi-orbit-era/; Clarence Oxford, Space Daily, *Multi-Orbit and Multi-Partnership Strategies Shape the Future of Inflight Connectivity* (Apr. 10, 2025). https://www.spacedaily.com/reports/Multi_Orbit_and_Multi_Partnership_Strategies_Shape_the_Future_of_Inflight_Connectivity_999.html; Mark Holmes, Satellite Today, *Multi-Orbit Terminals and Service Make Progress, But Have Further to Go, Leaders Say* (Mar. 10, 2025), https://interactive.satellitetoday.com/via/satellite-2025-show-daily-day-2/multi-orbit-terminals-and-service-make-progress-but-have-further-to-go-leaders-say.

[211] Narrative at 14; SES Feb. 3, 2025 RFI Response, Exh. A at 79.

[212] Narrative at 14; SES Feb. 3, 2025 RFI Response, Exh. A at 76-77.

[213] *See supra* paras. 28-33 (media services); paras. 38-39, 42 (aviation services); paras. 44-56 (maritime services); paras 47-49 (fixed data services); paras. 51, 54-55 (government services).

[214] SES cites "{[

}." SES-FCC-00001094, at SES-FCC-00001105 (SES, Project Early Bird Board Decision, Apr. 2024). *See also* SES-FCC-0000612, at SES-FCC-00000624 (SES, SES Strategy Day 2023, June 7, 2023) ("{

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[215] Narrative at 16.

U.S. warfighters have access to resilient satellite connectivity,"[216] and they claim that "the combined cashflows and synergies from the proposed transaction [will] enable the Parties to continue to invest efficiently in future GSO and MEO capabilities for the U.S. Government," ensuring access to GSO and MEO capacity in the future.[217] Although we cannot precisely quantify these expected public interest benefits, we partially credit benefits to U.S. Government customers in the form of improved products and services. The Committee states that the additional national security commitments set forth in the July 2, 2025 NSA will help ensure that the Executive Branch agencies can proceed appropriately to satisfy their responsibilities for enforcing the law, protecting the national security, and preserving public safety.[218]

63. *Improved Competitiveness*. The Applicants claim the proposed transaction will result in a stronger competitor with greater ability to invest, innovate and compete.[219] The Applicants further claim that it will enable the merged entity to compete more aggressively against Starlink and other LEO entrants, including Amazon's Project Kuiper.[220] The Applicants explain that that the combined company will be better able to compete against LEO constellations due to improved "throughput, capacity, range, and latency characteristics," and improved innovativeness.[221] Given the competitive pressure that LEOs are putting on the Applicants, as detailed in previous sections of this order, we credit some improved competitiveness as a benefit of this transaction.[222]

64. *Elimination of Double Marginalization.* Applicants argue that savings from the elimination of double marginalization across multiple service segments will result from the merger.[223] Where a merger involves a vertical dimension, and the upstream and downstream entities enjoy some market power (*i.e.,* they have some ability to set prices above marginal cost), vertical integration may reduce downstream prices because the merged entity, in setting the downstream price, will consider the true economic marginal cost of the input rather than the higher price (including upstream profit margin) that the upstream entity would otherwise charge for the input to the downstream entity.[224] Both SES and Intelsat supply capacity to each other in multiple segments.[225] Based on estimated margins of approximately {[ ]}% and {[ ]}% for SES and Intelsat, respectively, the Applicants estimate that the elimination of double marginalization could result in as much as ${[ ]} in annual price

[216] SES Feb. 3, 2025 RFI Response, Exh. A at 77.

[217] *Id.*

[218] Committee Petition at 2-3.

[219] Narrative at 18.

[220] *Id*. at 18-19; SES Feb. 3, 2025 RFI Response, Exh. A at 77.

[221] Narrative at 15; SES Feb. 3, 2025 RFI Response, Exh. A at 77.

[222] SES Feb. 3, 2025 RFI Response, Exh. A at 55; *see also* Mobility and Fixed Data White Paper at 18; Government White Paper at 15.

[223] Government White Paper at 15-16; SES Feb. 3, 2025 RFI Response, Exh. A at 55, 77-78.

[224] *See General Motors Corp. and Hughes Electronics Corp., Transferors, and the News Corporation, Transferee*, MB Docket No. 03-124, Memorandum Opinion & Order, 19 FCC Rcd 473, 507 para. 70 (2004) (*NewsCorp.-Hughes Order*); Patrick Rey & Thibaud Verge, Economics of Vertical Restraints, Handbook of Antitrust Economics 353, 360 (Paolo Buccirossi, ed., 2008).

[225] SES Feb. 3, 2025 RFI Response, Exh. A at 55; Mobility and Fixed Data White Paper at 18; Government White Paper at 15; Appendix: Elimination of Double Marginalization Calculations at 2.

reductions.[226] While we do not necessarily agree with the Applicants' quantification of the price reductions resulting from the elimination of double marginalization, we do agree that this should tend to result in lower prices for their customers. [227]

VII. NATIONAL SECURITY, LAW ENFORCEMENT, FOREIGN POLICY, AND TRADE CONCERNS

65. When analyzing a transfer of control or assignment application or a petition for declaratory ruling that involves foreign investment, we also consider public interest issues related to national security, law enforcement, foreign policy, and trade policy concerns.[228] With respect to such issues, the Commission accords deference to Executive Branch agencies' unique expertise in identifying and interpreting issues of concern related to national security and law enforcement.[229] Accordingly, the Commission considers any concerns raised by Executive Branch agencies, but the Commission makes an independent decision on the applications based on the record in the proceeding.[230]

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[226] ${[ ]} in annual price declines result from multiplying SES's and Intelsat's estimates of 2023 percentage margins on sales to each other by the total dollar value of those sales. Government White Paper at 15-16; Elimination of Double Marginalization Appendix at 1-2. The percentage margins are estimated as 100% -(total cost of sales/total revenues). SES's calculation excludes costs and revenues associated with the C-band repurposing and costs that do not "vary directly with revenue. Intelsat's costs exclude depreciation and amortization. Elimination of Double Marginalization Appendix at 2, note 3-4.

[227] A vertically integrated firm may not want to pass on costs savings if doing so would sufficiently lower its sales of the input to other rival downstream competitors. *2023 DOJ/FTC Horizontal Merger Guidelines* at § 2.5.A.2, note 31. {
]}. Elimination of Double Marginalization Appendix at 1-2.

[228] *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket Nos. 97-142 and 95-22, 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 applications 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); *Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170, para. 178 (1997) (*DISCO II* or *DISCO II Order*) (agreeing with Executive Branch to consider national security, law enforcement, foreign policy, and trade concerns in determining whether to grant access to U.S. market by non-U.S. licensed space stations). *See also Viasat-Inmarsat Order,* 38 FCC Rcd at 4802-03, para. 61.

[229] *Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Report and Order, 31 FCC Rcd 11272, 11277, para. 6 (2016) (*2016 Foreign Ownership Order*), *pet. for recon. dismissed*, 32 FCC Rcd 4780 (2017); *Foreign Participation Order*, 12 FCC Rcd at 23919, para. 62. *See also Viasat-Inmarsat Order,* 38 FCC Rcd at 4802-03, para. 61.

[230] *Foreign Participation Order*, 12 RCC Rcd at 23921, para. 66; *see also Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934*, *as Amended*, IB Docket 11-133, Second Report and Order, 28 FCC Rcd 5741, 5762, para. 34 (2013) (*2013 Foreign Ownership Order*) ("While the Commission has exercised its discretion to rely substantially on the views of Executive Branch agencies for their expertise on matters of national security, law enforcement, foreign policy and trade policy in cases involving foreign investment in U.S. common carrier and aeronautical licensees, we do not believe it would be appropriate for us essentially to delegate this statutory responsibility to such agencies.").

66. On September 18, 2024, the DOJ, on behalf of the Committee requested that the Commission defer action on the applications until the Committee has concluded its review to determine whether the transaction poses a risk to the national security or law enforcement interests.[231] Pursuant to Commission practice, we referred the applications to the relevant Executive Branch agencies, including the Committee agencies, for their views on any national security, law enforcement, foreign policy, trade policy concerns related to the foreign ownership of the Applicants.[232] On October 3, 2024, the DOJ, on behalf of the Committee requested that the Commission defer action on the applications until the Committee has concluded its review.[233] On July 7, 2025, NTIA filed Committee Petition advising the Commission that the Committee has no objection to the Commission's granting the applications provided that the Commission conditions its approval on the assurances of SES and Intelsat to abide by the commitments and undertakings set forth in the July 2, 2025 NSA..[234]

67. In assessing the public interest, we take into account the record developed in each particular case and accord appropriate deference to the expertise of the Executive Branch agencies on national security and law enforcement, and other concerns related to foreign ownership of Commission licensees.[235] As the Commission stated in the *Foreign Participation Order*, foreign participation in the U.S. telecommunications market may implicate significant national security or law enforcement issues uniquely within the expertise of the Executive Branch.[236] For the reasons set out herein, in accordance with the request of the Committee and in the absence of any objection from the Applicants, we grant the Committee Petition and condition grant of the applications on compliance by SES and its Affiliates with the commitments and undertakings set forth in the July 2, 2025 NSA. A failure to comply with and/or remain in compliance with any of the provisions of the July 2, 2025 NSA shall constitute a failure to meet a condition of this grant and the underlying authorizations and licenses, and thus grounds for declaring the underlying authorizations and licenses terminated without further action on the part of the Commission. A failure to meet a condition of this grant and the authorizations and licenses may also result in monetary sanctions or other enforcement action by the Commission.

VIII. INTELSAT AND ITSO

68. We find that the transaction will not affect the ability of Intelsat to fulfill its public service obligations under its agreement with the International Telecommunications Satellite Organization (ITSO) to maintain global connectivity and global coverage and provide non-discriminatory access to the Intelsat system. Intelsat assumed these obligations in 2001 when INTELSAT, an intergovernmental

[231] Letter from Christopher R. Clements, Deputy Chief, Foreign Investment Review Section, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, SB Docket No. 24-267 et al. (filed Sep. 18, 2024).

[232] SES-Intelsat Transfer of Control Applications Referred to Executive Branch, SB Docket No. 24-267, Public Notice, DA 24-1020 (SB/WTB/OET). *See Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket No. 16-155, Report and Order, 35 FCC Rcd 10927, 10935-36, paras. 17, 24 (2020) (*Executive Branch Review Order*); *Foreign Participation Order,* 12 FCC Rcd 23891, 23919, paras. 61-63. *See also Viasat-Inmarsat Order,* 38 FCC Rcd at 4803, para. 62.

[233] Letter from Christine M. Quinn, Attorney Advisor, Foreign Investment Review Section, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, SB Docket No. 24-267 et al. (filed Oct. 3, 2024).

[234] Committee Petition at 1 (citing July 2, 2025 NSA).

[235] *Viasat-Inmarsat Order,* 38 FCC Rcd at 4803-04, para. 63; *T-Mobile-Sprint Order*, 34 FCC Rcd at 10734-35, para. 353; *2016 Foreign Ownership Order*, 31 FCC Rcd at 11277, para. 6; *Foreign Participation Order*, 12 FCC Rcd at 23919, paras. 61-62.

[236] *Foreign Participation Order*, 12 FCC Rcd at 23919, para. 62.

organization created in 1973 to operate a global commercial telecommunications system,[237] was privatized by transferring its assets to a commercial corporation, Intelsat.[238] Pursuant to international agreement,[239] ITSO remains as the intergovernmental organization responsible for monitoring Intelsat's compliance with its public service obligations, called "core principles."[240] In connection with Intelsat's privatization, Intelsat entered into a Public Services Agreement (PSA) with ITSO, through which ITSO supervises Intelsat's compliance with the core principles.[241] The PSA also governs the funding of ITSO by Intelsat.[242] Although ITSO states that it cannot take a more formal position on the transaction,[243] ITSO asserts that the outcome of the transaction is of "paramount importance" to ITSO, and the countries that are parties to the ITSO Agreement, to ensure that ITSO can continue to supervise Intelsat's compliance with the core principles.[244]

69. ITSO does not oppose the transfer of control applications, commenting that the transaction could potentially strengthen the ability of Intelsat to honor the core principles without diminishing ITSO's functions.[245] The Applicants affirm that Intelsat and any successor-in-interest will remain a signatory to the PSA.[246] Furthermore, the conditions related to ITSO that were placed on certain

[237] *See* Intelsat, *Intelsat History Our Story,* https://www.intelsat.com/intelsat-history/ (last visited May 6, 2025); *Intelsat S.A., as debtor-in-possession, (Transferor) and New TopCo S.A. (Transferee)*, IB Docket No. 21-375, Order, 37 FCC Rcd 1837, 1838, para. 5 (Feb. 16, 2022) (*Intelsat Emergence from Bankruptcy Order*).

[238] *See Applications of Intelsat LLC for Authority to Operate, and to Further Construct, Launch and Operate, C-band and Ku-band Satellites that Form a Global Communications System in Geostationary Orbit*, Memorandum Opinion Order and Authorization, FCC 00- 287, 15 FCC Rcd 15460, 15463, paras. 5-6 (2000) (*Intelsat Licensing Order*), *recon. denied*, 15 FCC Rcd 25234 (2000); *Constellation, LLC et al.*, Memorandum Opinion and Order, 21 FCC Rcd 7368, 7395-95, para. 15 (2006) (*PanAmSat Transfer Order*).

[239] *See* Agreement Relating to the International Telecommunications Satellite Organization, *amendment opened for signature* Nov. 17, 2000, 23 UST 3813, 1220 UNTS 21 (entry into force Feb. 12, 1973) (ITSO Agreement); *see also Intelsat Licensing Order* at 15463, paras. 5-6.

[240] 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, the final lifeline customer contracts expired in 2019. *See Intelsat Emergence from Bankruptcy Order,* 37 FCC Rcd 1838, para. 5, n. 15.

[241] *See Intelsat Emergence from Bankruptcy Order* at 1838, para. 5; *PanAmSat Transfer Order* at 7395, para. 15.

[242] *See Intelsat Emergence from Bankruptcy Order* at 1838, para. 5, citing ITSO Agreement, Art. VII(b).

[243] ITSO Comments at 5.

[244] *Id.* at 1.

[245] *Id.* at 5. With respect to timing, however, ITSO requested that the Commission take final action on the applications no later than June 2025 to avoid uncertainty that may weaken Intelsat's ability to meet the core principles. *Id.* at 6.

[246] Narrative at 24-25; Consolidated Response at 2. We note that the ITSO-specific space station license conditions require that any successor-in-interest to Intelsat for those licenses be a signatory of the PSA with ITSO. *See Petition of the International Telecommunications Satellite Organization under Section 316 of the Communications Act, as Amended,* Order of Modification, 23 FCC Rcd 2764, 2765, para. 3 n.7 (IB 2008) (*Modification Order*), 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, recommending conditions that (1) explicitly obligate Intelsat to remain a signatory to the PSA between Intelsat and ITSO and (2) provide, for licensing purposes, that no entity can be considered a successor-in-interest to Intelsat under the ITSO Agreement unless the entity has undertaken to perform the obligations of the PSA.

Intelsat space station licenses will continue to apply,[247] as they continued to apply through prior Intelsat transfers of control,[248] and Intelsat remains the licensee of these space station licenses under the present transaction. In response to ITSO's expressed desire for a "more appropriate approach for ITSO funding" to be established as a result of the transaction,[249] we observe that the present transaction does not alter or otherwise affect the ITSO Agreement, which provides, in part, that ITSO funding shall be obtained "through the Public Services Agreement."[250] Accordingly, we find that the transaction alters neither Intelsat's obligations under the PSA nor the existing ITSO-specific conditions on Intelsat's space station licenses and therefore will not adversely affect the ability of Intelsat to fulfill its obligations under its agreement with ITSO.

IX. CONCLUSION

70. After carefully reviewing the record in this proceeding, we find that the proposed transaction will not violate the Act or the Commission's rules. We further find that it is unlikely to have adverse competitive effects in the market segments in which the Applicants compete. At the same time, we find that the proposed transaction will generate various public interest benefits, including lower costs, improvements to network quality, investment, and national security, and the creation of a more vigorous satellite competitor. Accordingly, we find that approval of this transaction will serve the public interest, convenience, and necessity.

X. ORDERING CLAUSES

71. **ACCORDINGLY**, having reviewed the applications and the record in this matter, **IT IS ORDERED** that, pursuant to sections 4(i), 4(j), 5(c), 303(r), 309, and 310(d) of the Act, 47 U.S.C. §§ 154(i), 154(j), 155(c), 303(r), 309, 310(d), and sections 1.948 and 25.119 of the Commission's rules, 47 CFR §§ 1.948 and 25.119, and pursuant to the authority delegated under sections 0.241(c), 0.261 and 0.331 of the Commission's rules, 47 CFR §§ 0.241(c), 0.261 and 0.331, that the applications to transfer control of the authorizations and licenses listed in the Appendix **ARE GRANTED**, subject to the conditions specified in this Memorandum Opinion and Order.

72. **IT IS FURTHER ORDERED** that, pursuant to sections 4(i), 4(j), and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 310(d), and sections 1.948, 1.40001-1.40004 and 25.119 of the Commission's rules, 47 CFR §§ 1.948, 1.40001-1.40004, 25.119, the Committee Petition to Adopt Conditions to Authorizations and Licenses filed by the NTIA **IS GRANTED**.

73. **IT IS FURTHER ORDERED** that, pursuant to sections 4(i), 4(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 1.948, 1.40001-1.40004, and 25.119 of the Commission's rules, 47 CFR §§ 1.948, 1.40001-1.40004, 25.119 grant of the applications is **SUBJECT TO** compliance by SES and its Affiliates with the terms of the National Security Agreement by and between SES S.A. and its Affiliates, on the one hand,

[247] *See Modification Order* at 2767, para. 5.

[248] *See, e.g.*, *Intelsat Emergence from Bankruptcy Order,* 37 FCC Rcd 1837, 1842, para. 15; *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).

[249] ITSO argues that funding of ITSO by Intelsat after the transaction should be in line with the minimum funding levels ITSO states are necessary to discharge its obligations under the ITSO Agreement. ITSO Comments at 6.

[250] ITSO Agreement, Art. VII(b). We also note that Article 6.03 of the Public Services Agreement states that "Any dispute, controversy or claim between the parties to this [PSA] arising out of or relating to this [PSA] that is not resolved through negotiation . . . shall be settled by arbitration in the city where ITSO's headquarters is located".

and the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, the U.S. Department of Homeland Security, the U.S. Department of Justice, and the U.S. Department of Defense, on the other hand, dated July 2, 2025. A failure to comply and/or remain in compliance with any of these commitments and undertakings shall constitute a failure to meet a condition of the underlying authorizations and licenses and thus grounds for declaring the authorizations and licenses terminated without any further action on the part of the Commission. A failure to meet a condition of the grant may also result in monetary sanctions or other enforcement action by the Commission.

74. **IT IS FURTHER ORDERED** that this Memorandum Opinion and Order **SHALL BE EFFECTIVE** upon release, in accordance with section 1.102 of the Commission's rules, 47 CFR § 1.102. Petitions for reconsideration under section 1.106 of the Commission's Rules, 47 CFR § 1.106, may be filed within thirty days of the release date of this Memorandum Opinion and Order.

FEDERAL COMMUNICATIONS COMMISSION

Jay Schwarz
Chief, Space Bureau

Joel Taubenblatt
Acting Chief, Wireless Telecommunications Bureau

Ira Keltz
Acting Chief, Office of Engineering and Technology

APPENDIX
List of Applications

Part 5 – Experimental Licenses

File Number	Licensee	Lead Call Sign
0027-EX-TU-2024	Intelsat Inflight Licenses LLC	WF2XMC
0028-EX-TU-2024	Intelsat License LLC	WO2XDP

Part 25 – Space Station Licenses

File Number	Licensee	Lead Call Sign
SAT-T/C-20240530-00116	Horizons−3 License LLC	S2947
SAT-T/C-20240530-00117	Intelsat License LLC	S2846

Part 25 – Space Station Grants of U.S. Market Access

File Number	Grantee	Call Sign
SAT-MPL-20240809-00176	Intelsat License LLC	S3058
SAT-MPL-20240809-00177	Intelsat License LLC	S2592
SAT-MPL-20240809-00179	Horizons−4 Satellite LLC	S3180

Part 25 – Earth Station Licenses

File Number	Licensee	Lead Call Sign
SES-T/C-20240530-01222	Intelsat Inflight Licenses LLC	E150104
SES-T/C-20240603-01221	Intelsat License LLC	E000048

Part 90 – Industrial/Business Pool Private Wireless License

File Number	Licensee	Lead Call Sign
0011092560	Intelsat License LLC	WQSW724

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