From: Linda Jacobsen

To: Anthony Serafini
Date: May 14, 2012

Subject:

Message:

1. Describe the current operations and testing being conducted under your license.

Aprize Satellite?s plan in 2004 was to evaluate the feasibility of using an innovative two-way satellite data communication system for tracking and monitoring high-value assets using the UHF frequency band. As a part of that program, the experimental AprizeSats were used to test and space-qualify microsatellite components being designed and developed by SpaceQuest, a sister company of Aprize with essentially the same ownership. The Aprize system has not been able to make the transition from an experimental to a commercial system as originally anticipated because Aprize does not have the necessary funds to hire the people, facilities and ground infrastructure needed for commercial operations. Thus, commercialization of the Aprize program is being deferred until such time that sufficient funding is available. However, the component test program is an essential and continuing part of the AprizeSat experiment as new designs being produced by SpaceQuest must be qualified in space prior to being sold by SpaceQuest to government and commercial customers.

The experimental missions for the Aprize microsatellites are generally of short duration (2 to 3 years), although the satellites may continue to operate for a longer period of time. Some of the experimental payloads have not performed as well as expected, while some of the Aprize satellites have completed their mission.

AprizeSats 3 and 4 were developed to test and evaluate experimental VHF payloads that could receive, detect and decode AIS messages transmitted by all large vessels. Improvements on the design of the experimental AIS payload in AprizeSats 3 and 4 led to the development of a more sophisticated AIS receiver and antenna system for AprizeSats 5 and 6. SpaceQuest has embarked on the development of an advanced AIS experimental payload that will be evaluated with the launch of AprizeSats 7 and 8, with AprizeSats 9 and 10 slated for follow-on technology. SpaceQuest has some government and commercial customers interested in purchasing the advanced AIS payload, which must be qualified in space prior to sale.

2. What is the purpose of the additional satellites and why can this not be provided under your existing license?

Additional satellites are needed as replacements for earlier Aprize satellites and as test beds for advanced microsatellite components being developed by SpaceQuest for sale to government and commercial customers. These additional satellites would continue to use our existing experimental license.

3. Is your testing moving out of the experimental phase and should be considered to transition out of the Part 5 experimental license?

Aprize is not able to move out of the experimental phase due to a lack of funds needed to implement its planned NVNG service using up to 64 low-Earth orbit satellites. Continuation of the Aprize experimental program, however, will spur development, expansion and utilization of wireless data communications networks and hopefully spawn the emergence of commercial, environmental, safety, security and other important applications to benefit U.S. Government, businesses, and consumers alike.