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April 21, 2003

Via Hand Delivery

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: TMI Communications and Company Limited Partnership
File No 189-SAT-L03-97
IBFS Nos. SAT-LOI-19970926-00161
SAT-AMD-20001103-60158

Dear Ms. Dortch:

Transmitted herewith, on behalf of TMI Communications and Company Limited Partnership (TMI), pursuant to Section 1.65 of the Commission's Rules, 47 C.F.R. §1.65, are five copies of a newly discovered Canadian Government document of decisional significance to the pending March 10, 2003 Application for Review of TMI and its affiliate, TerreStar Networks, Inc. (TerreStar). That Application seeks reversal of the International Bureau's February 7, 2003 Order canceling TMI's letter of intent (LOI) authorization to provide Mobile Satellite Service (MSS) in the 2 GHz band because TMI allegedly had failed to meet the initial construction milestone by entering into a non-contingent satellite manufacturing contract.

The attached document is a letter from Jan Skora, Director General, Radiocommmunication and Broadcasting Regulatory Branch, Industry Canada, to Mr. Ted H. Ignacy, Vice President, Finance, TMI. It states that TMI "has met the requirements of condition 6.2 of our [Industry Canada] approval in principle" – the Canadian construction milestone – and "have demonstrated that TMI is bound to a contractual agreement for the construction of the proposed satellite."

Although the letter is dated August 23, 2002, TMI did not locate this correspondence in its files until April 9, 2003 whereupon it was provided to the undersigned counsel. Without any knowledge of the contents of the foregoing letter, TMI's prior statements to the Bureau and the Commission regarding Industry Canada's review of the construction milestones in its Canadian authorization were incomplete and potentially misleading.

In particular, on February 6, 2003, in its Opposition to Petition to Deny, at p. 13, TMI stated that it had submitted two interrelated satellite construction contracts between TMI,

TerreStar, and Space Systems/Loral (Loral) in satisfaction of the construction contract milestone (*i.e.*, condition 6.2) in its Canadian authorization. TMI advised: "Industry Canada has not stated that the arrangement is non-compliant with the conditions in TMI's approval-in-principle, and TMI and TerreStar have consequently moved forward with the construction of the MSS system based upon said agreements . . ." [footnote omitted].

Similarly, on March 12, 2003, in TMI's Application For Review (filed jointly with TerreStar), the Commission was advised (also at p. 13):

> "To comply with the contract milestone in its Canadian license (a 'signature of contract for the first of two satellites by July 14, 2002'), TMI submitted to Industry Canada the same interrelated contracts between TMI, TerreStar and Loral that were submitted to the FCC. However, unlike the FCC, it is not the practice of Industry Canada to issue a notice advising the public that a satellite grantee has met an applicable milestone. In Canada, satellite grantees are typically assumed to have met their milestones, unless they are notified to the contrary by Industry Canada. TMI has not received any such notice from Industry Canada. In fact, to TMI's knowledge, Industry Canada is fully satisfied with the submissions that TMI has filed in connection with its Canadian authorization in principle and it has not advised TMI of any concerns or defects with TMI's filings to date." [footnote omitted]

Though the foregoing statements are still accurate, TMI now recognizes that they are incomplete and may have raised unjustified questions in the mind of the Bureau and the Commission regarding Industry Canada's oversight of the milestones in TMI's approval in principle. However, the affirmative statements made by Industry Canada in the enclosed letter ("you have met the requirements of condition 6.2 [and] have demonstrated that TMI is bound to a contractual agreement for the construction of the proposed satellite") plainly resolve any such questions.

The Industry Canada letter also leaves no doubt that, as of July 17, 2002 – the date of the satellite manufacturing contract milestone in TMI's FCC authorization – TMI had already satisfied the analogous Canadian milestone condition.

Any questions regarding this letter should be directed to the undersigned.

Very truly yours,

Gregory C. Staple

cc: Attached service list

Industry Canada Industrie Canada

300 Slater Street
Ottawa, ON K1A 0C8

File : 6215-3-4

AUG OUT 2 3 2002

Mr. Ted H. Ignacy
Vice-President, Finance
TMI Communications and Company, LP
1601 Telesat Court
P.O. Box 9826
Ottawa, ON
K1G 5M2

Dear Mr. Ignacy:

Thank you for your letter of July 25, 2002 providing evidence showing that TMI Communications and Company, LP satisfies condition 6.2 of our approval in principle for your 2 GHz mobile satellite system.

The Department has reviewed your submission and I am pleased to advise you that you have met the requirements of condition 6.2 of our approval in principle, namely that you have demonstrated that TMI is bound to a contractual agreement for the construction of the proposed satellite.

I now look forward to your submission of the semi-annual report as required per condition 15 of the approval-in-principle, including an update on the development of the Canadian-owned and controlled entity that will operate the satellite network leading to the eventual submission of information to the Department demonstrating eligibility to hold the licences for the network.

Yours sincerely,

for Jan Skora
Director General
Radiocommunication and
Broadcasting Regulatory Branch

Canada

CERTIFICATE OF SERVICE

I, Ana Maria Ablaza, hereby certify that a copy of the foregoing letter from Gregory Staple, counsel, TMI Communications, to Ms. Marlene H. Dortch, Secretary, FCC, dated April 21, 2003, and the appended Industry Canada letter dated August 23, 2002 have been served this 21st day of April, 2003, by first class United States mail, postage prepaid, or by hand delivery (*), on the following:

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*The Honorable Michael Copps
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