

August 2, 2004

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

Re: TMI Communications and Company Limited Partnership
Request for Confidential Treatment
File No. 189-SAT-L03-97
IBFS Nos. SAT-LOI-19970926-00161
SAT-AMD-20001103-00158

Dear Ms. Dortch:

Transmitted herewith on behalf of TMI Communications and Company Limited Partnership ("TMI") are copies of all amendments and agreements executed since July 26, 2002 (collectively, the "Amendments") to the satellite construction contract (the "Satellite Contract") between TerreStar Networks, Inc. ("TerreStar") and Space Systems/Loral Inc. ("Loral") for TMI's above referenced 2 GHz mobile satellite service ("MSS") system. On July 26, 2002, TMI previously submitted to the Bureau, in confidence, a copy of the underlying Satellite Contract.

TMI's authorization for its 2GHz MSS system was reinstated by the Commission's Memorandum Opinion and Order on June 21, 2004 ("Order")¹ on condition that TMI demonstrate to the International Bureau, within 30 days of the release date, that it has entered into a guarantee or similar agreement to cover TerreStar's payments to Loral under the Satellite Contract. The Order also adopted new construction milestone dates for TMI's system given that construction of the satellite system had been suspended following the Bureau's prior (February 2003) revocation of TMI's authorization.

Pursuant to the Order, on July 29, 2004, TMI's counsel hand delivered to the International Bureau a copy of a guarantee agreement covering TerreStar's payments under the Satellite Contract, as amended to reflect the new milestone dates in the reinstatement Order. The Satellite Contract amendments referred to in the guarantee are therefore being submitted herewith so as to expedite the Bureau's review of this agreement.

¹ FCC 04-144, released June 29, 2004.

Confidentiality Request

Pursuant to the Freedom of Information Act (FOIA),² and Sections 0.457 and 0.459 of the Commission's Rules,³ TMI requests that the following sections of the Amendments that contain proprietary and commercially sensitive financial or technical information be withheld from public inspection and be treated confidentially:

- Amendment No. 1, dated as of February 20, 2003 – the full text of Section A “Amendment”; and Attachment A (replacement Exhibit F);
- Amendment No. 2, dated as of May 13, 2003 – the full text of Section A “Amendment”; Attachment A (replacement Exhibit F); and replacement page 11 to the Satellite Contract;
- Amendment No. 3, dated as of August 25, 2003 – the full text of Section A “Amendment” from page 1 to page 5; Attachment A (replacement Exhibit F); and replacement pages 11 to 17 of the Satellite Contract;
- For each letter agreement dated from October 15, 2003 to June 9, 2004 – all bulleted paragraphs 1 and 2; and
- Amendment No. 4, dated as of July 26, 2004 – Article 2 c-g; Articles 3 to 9; and Attachment A (replacement Exhibit F).

To facilitate public access to the non-confidential portions of the Amendments, a second redacted version of the Amendments is enclosed and marked “FCC Public Inspection Copy”.

In support of its request for confidential treatment of the above listed sections of the Amendments, and pursuant to the requirements under Section 0.459(b) of the Commission's Rules, TMI states the following:

1. TMI seeks confidential treatment of the sections of the Amendments listed above.
2. The Amendments are being submitted voluntarily by TMI in response to the Commission's Order reinstating TMI's 2 GHz MSS authorization.⁴ In the event that the Commission denies TMI's request for confidential treatment of the Amendments, TMI hereby requests that the Commission return the Amendments without consideration pursuant to Section 0.459(e) of the Commission's Rules.
3. The Amendments contain information regarding amounts due, payment terms, technical specifications, construction schedules, and unique commercial terms and conditions. This information constitutes trade secrets or sensitive commercial and financial information that

² 5 U.S.C. §552(b)(4).

³ 47 C.F.R. §§ 0.457, 0.459.

⁴ See FCC 04-144, released June 29, 2004.

“would customarily be guarded from competitors,”⁵ and is therefore exempted from disclosure under FOIA Exemption 4 and Section 0.457 of the Commission’s Rules.⁶

4. The Amendments concern TMI, TerreStar, and Loral’s implementation of a 2 GHz MSS system that will be subject to competition from a number of other MSS systems. The Commission has previously acknowledged that there are a number of other companies that offer MSS in North America.⁷ Disclosure of the redacted information will seriously inhibit the parties ability to remain competitive in the MSS industry.

5. Disclosure of the contract provisions that TMI seeks to keep confidential would cause substantial competitive harm to TMI’s business. The technical specifications and performance criteria for its proposed satellite, as well as the terms on which the satellite will be contracted and launched, are commercially sensitive and ordinarily would not be disclosed to third parties. If disclosed, this information would allow competing 2 GHz MSS licenses to use this information to their competitive advantage. For example, knowledge of financial terms and unique technical specifications could allow competitors to obtain more favorable terms from other manufacturers. Further, disclosure would harm TMI in future negotiations with satellite construction firms by allowing them to extract more favorable terms.

6. The Amendments as well as the Satellite Contract require all parties to maintain confidentiality, and the Satellite Contract itself is marked proprietary to TMI, TerreStar and Loral and may not be further disclosed without the written permission of the parties.

7. Information regarding the redacted sections of the Amendments are not available to the public, and there has been no disclosure of such information to third parties.

8. TMI requests confidential treatment of the redacted sections of the Amendments for an indefinite period. As previously discussed, release of this information at any time in the future would cause substantial competitive harm to TMI.

9. TMI also notes that other parties who have recently filed satellite contracts with the Commission have also requested confidential treatment of their contracts,⁸ and TMI is unaware of any of their requests being denied by the Commission.

⁵ 47 C.F.R. § 0.459(d)(2).

⁶ 5 U.S.C. §552(b)(4); 47 C.F.R. § 0.457(d).

⁷ See *Motient Services, Inc. and TMI Communications and Company, LP*, 16 FCC Rcd 20469, ¶ 24 (IB 2001).

⁸ See *Letter from Cheryl A. Tritt, Counsel to ICO Satellite Services G.P. to Marlene H. Dortch, FCC Secretary*, dated December 17, 2003 (File No. 188-SAT-LOI-97); *Letter from Joseph P. Markoski and Bruce A. Olcott, Counsel for The Boeing Company to Marlene H. Dortch, FCC Secretary*, dated April 5, 2004 (File Nos. 179-SAT-P/LA-97(16), 90-SAT-AMEND-98(20)); *Letter from Peter D. Shields, Counsel to Iridium 2GHz, LLC to Marlene H. Dortch, FCC Secretary*, dated April 5, 2004 (File Nos. 187-SAT-P/LA-97(96), SAT-LOA-1997092600147, et al.).

Marlene H. Dortch

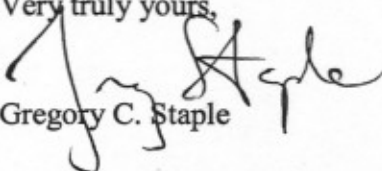
Page 4

August 2, 2004

For the foregoing reasons, TMI submits that the law requires confidential treatment of the portions of the Amendments TMI has identified above.

Please direct any questions regarding this filing to the undersigned.

Very truly yours,



Gregory C. Staple

Enclosures

cc: Mr. Roderick K. Porter, Deputy Bureau Chief, International Bureau
Steven Spaeth
Cassandra C. Thomas
William Bell
Karl Kensinger
Zie Rivers, TerreStar

**CONTRACT AMENDMENT NO. 1 TO
CONTRACT BETWEEN
TERRESTAR NETWORKS, INC.
AND
SPACE SYSTEMS/LORAL, INC.
FOR TERRESTAR 1 SATELLITE PROGRAM**

THIS CONTRACT AMENDMENT NO.1 (the "Amendment") is entered into effective as of the 20th day of February 2003, between TERRESTAR NETWORKS, INC. (the "Purchaser") and SPACE SYSTEMS/LORAL, INC. (the "Contractor").

WHEREAS, Contractor and Purchaser are the parties to a Contract effective July 14, 2002, as amended from time to time by the parties thereto, (as so amended, the "Contract"), and

WHEREAS, Contractor and Purchaser have agreed to modify Exhibit F of the Contract, changing the time payments for Pre-CDR,

NOW, THEREFORE, in consideration of the mutual covenants and conditions in this Amendment and in the Contract, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

A. Amendment

[REDACTED]

- B. **Defined Terms:** All capitalized terms in this Amendment, not otherwise defined herein, shall have the same meaning as ascribed to them in the Contract.
- C. **Change Pages:** The Attached "change pages" (Attachment A) are to replace the current pages of the Contract and reflect the pertinent issues described herein.
- D. **Ratification and Affirmation:** The Contract, as modified by the express terms of this Amendment, is hereby ratified and affirmed by Purchaser and Contractor, and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment effective
as of the date first written above:

CONTRACTOR:

SPACE SYSTEMS/LORAL, INC.

By: R.C. Helf

Name: _____

Title: _____

PURCHASER:

TERRESTAR NETWORKS, INC.

By: Wharton B. Rivers, Jr.

Name: WHARTON B. RIVERS, JR.

Title: PRESIDENT AND CEO

Amendment No. 1 to TerreStar Contract
February 14, 2003

ATTACHMENT A

Replacement Exhibit F
Payment Plan - Ship to Launch Site

**TerreStar Satellite Program
Payment Plan - Ship to Launch Site
(US\$)**

**CONTRACT AMENDMENT NO. 2 TO
CONTRACT BETWEEN
TERRESTAR NETWORKS, INC.
AND
SPACE SYSTEMS/LORAL, INC.
FOR TERRESTAR 1 SATELLITE PROGRAM**

THIS CONTRACT AMENDMENT NO.2 (the "Amendment") is entered into effective as of the 13TH day of May 2003, between TERRESTAR NETWORKS, INC. (the "Purchaser") and SPACE SYSTEMS/LORAL, INC. (the "Contractor").

WHEREAS, Contractor and Purchaser are the parties to a Contract effective July 14, 2002, as amended from time to time by the parties thereto, (as so amended, the "Contract"), and

WHEREAS, Contractor and Purchaser have agreed to modify Exhibit F of the Contract, changing the time payments for Pre-CDR,

NOW, THEREFORE, in consideration of the mutual covenants and conditions in this Amendment and in the Contract, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

A. Amendment



- B. Defined Terms: All capitalized terms in this Amendment, not otherwise defined herein, shall have the same meaning as ascribed to them in the Contract.
- C. Change Pages: The Attached "change pages" (Attachment A) are to replace the current pages of the Contract and reflect the pertinent issues described herein.
- D. Ratification and Affirmation: The Contract, as modified by the express terms of this Amendment, is hereby ratified and affirmed by Purchaser and Contractor, and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment effective
as of the date first written above:

CONTRACTOR:

SPACE SYSTEMS/LORAL, INC.

By: RAH

Name: Ronald A. Haley

Title: CFO

PURCHASER:

TERRESTAR NETWORKS, INC.

By: Wharton B. Rivers Jr

Name: WHARTON B. RIVERS JR

Title: PRESIDENT AND CEO

ATTACHMENT A

Replacement Exhibit F
Payment Plan - Ship to Launch Site

TerreStar Payment Plan

**TerreStar Satellite Program
Payment Plan - Ship to Launch Site**

Amendment 2

May 7, 2003

(US\$)

CHANGE PAGE – INSERT THE FOLLOWING PAGE TO CONTRACT . .

NP WBR

NP WBR

**CONTRACT AMENDMENT NO. 3 TO
CONTRACT BETWEEN
TERRESTAR NETWORKS, INC.
AND
SPACE SYSTEMS/LORAL, INC.
FOR TERRESTAR 1 SATELLITE PROGRAM**

THIS CONTRACT AMENDMENT NO. 3 (the "Amendment") is entered into effective as of the 25th day of August 2003, between TERRESTAR NETWORKS, INC. (the "Purchaser") and SPACE SYSTEMS/LORAL, INC. (the "Contractor").

WHEREAS, Contractor and Purchaser are the parties to a Contract effective July 14, 2002, including Amendments 1 and 2 thereto, (as so amended, the "Contract"), and

WHEREAS, the FCC revoked on February 10, 2003 the 2GHz license of TMI, Inc., who is an affiliate of Purchaser, and which license is necessary to operate the Satellites under the Contract, and

WHEREAS, Contractor and Purchaser have agreed to reschedule the Critical Design Review (CDR) and to modify other affected terms of the Contract including the payment plan.

NOW, THEREFORE, in consideration of the mutual covenants and conditions in this Amendment and in the Contract, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

A. Amendment

NP ABR

NP AGR

NP ABR



11/17/00

- B. Defined Terms: All capitalized terms in this Amendment, not otherwise defined herein, shall have the same meaning as ascribed to them in the Contract.
- C. Change Pages: The Attached "change pages" (Attachment A) are to replace the current pages of the Contract and reflect the pertinent issues described herein.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the date first written above:

CONTRACTOR:

SPACE SYSTEMS/LORAL, INC.

By: RAH

Name: R. A. Haley

Title: CFO 8/26/03

PURCHASER:

TERRESTAR NETWORKS INC.

By: Wharton B. Rivers Jr

Name: WHARTON B. RIVERS, JR

Title: PRESIDENT AND CEO

NO AGR

ATTACHMENT A

Replacement Exhibit F
Payment Plan – CDR on February 15, 2004

NP Alex

TerreStar Payment Plan

TerreStar Satellite Program
Payment Plan - CDR on February 15, 2004
Amendment 3 August 22, 2003 (US\$)

CHANGE PAGES – INSERT THE FOLLOWING PAGES TO CONTRACT

NR NBR

ARTICLE 2 - STATEMENT OF WORK

11a

NB A122

MP ABR

NP ASK

NP ASR

NP ABR

NP ABR



nd

NP AGR

SPACE SYSTEMS
LORAL

3825 Fabian Way
Palo Alto, CA 94303-4604

Ronald A. Haley
Senior Vice President
Finance and Contracts

October 15, 2003

In reply cite:
2003-TerreStar-007

TerreStar Networks, Inc.
7925 Jones Branch Drive
McLean, VA 22102

Attention: Mr. Wharton B. Rivers
President & CEO

Subject: TerreStar Satellite Contract dated July 14, 2002; Agreement to Amend the Contract

Dear Mr. Rivers,

In anticipation of TerreStar's continued efforts to obtain FCC reinstatement of the TMI 2GHz license as described in Contract Amendment 3, TerreStar and Space Systems/Loral (SS/L) hereby agree as follows:

- [REDACTED]
- [REDACTED]
- TerreStar Networks and SS/L will execute a conforming amendment to the Subject Contract to formalize the date changes reflected herein.

Please indicate your acceptance of this letter Agreement in the space provided below.

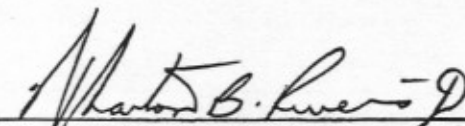
Sincerely,

SPACE SYSTEMS/LORAL, INC.



R. A. Haley
Sr. Vice President Finance & Contracts

Agreed and Accepted by TerreStar Networks:


Wharton B. Rivers
10/16/03
Date

**SPACE SYSTEMS
LORAL**

3825 Fabian Way
Palo Alto, CA 94303-4604

Ronald A. Haley
Senior Vice President
Finance and Contracts

November 14, 2003

In reply cite:
2003-TerreStar-008

TerreStar Networks, Inc.
7925 Jones Branch Drive
McLean, VA 22102

Attention: Mr. Wharton B. Rivers
President & CEO

Subject: TerreStar Satellite Contract dated July 14, 2002; Agreement to Amend the Contract

Reference: Space Systems/Loral (SS/L) letter 2003-TerreStar-007 dated October 15, 2003

Dear Mr. Rivers,

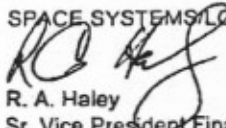
By the reference letter agreement, TerreStar and SS/L agreed to extend by 30 days the date specified in Amendment 3 (October 16, 2003) of the subject Contract by when the FCC must reinstate the TMI 2GHz license. In anticipation of TerreStar's continued efforts to obtain FCC reinstatement of the TMI 2GHz license as described in Contract Amendment 3, TerreStar and SS/L hereby agree to as follows:

- [REDACTED]
- [REDACTED]
- All dates specified in Article 24 Options shall be updated as necessary to reflect all schedule changes effected by Amendment 3, the reference letter and this letter.
- TerreStar Networks and SS/L will execute a conforming amendment to the Subject Contract to formalize the date changes reflected herein.

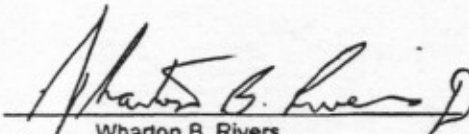
Please indicate your acceptance of this letter Agreement in the space provided below.

Sincerely,

SPACE SYSTEMS/LORAL, INC.


R. A. Haley
Sr. Vice President Finance & Contracts

Agreed and Accepted by TerreStar Networks:


Wharton B. Rivers
11/14/03
Date

**SPACE SYSTEMS
LORAL**

3825 Fabian Way
Palo Alto, CA 94303-4604

Ronald A. Haley
Senior Vice President
Finance and Contracts

December 15, 2003

In reply cite:
2003-TerreStar-008

TerreStar Networks, Inc.
7925 Jones Branch Drive
McLean, VA 22102



Attention: Mr. Wharton B. Rivers
President & CEO

Subject: TerreStar Satellite Contract dated July 14, 2002; Agreement to Amend the Contract

Reference: Space Systems/Loral (SS/L) letter 2003-TerreStar-008 dated November 14, 2003

Dear Mr. Rivers,

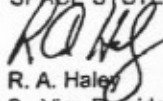
By the reference letter agreement, TerreStar and SS/L agreed to extend through today the date by when the FCC must reinstate the TMI 2GHz license. In anticipation of TerreStar's continued efforts to obtain FCC reinstatement of the TMI 2GHz license as described in Contract Amendment 3, TerreStar and SS/L hereby agree to as follows:

- 
- 
- All dates specified in Article 24 Options shall be updated as necessary to reflect all schedule changes effected by Amendment 3, the reference letter and this letter.
- TerreStar Networks and SS/L will execute a conforming amendment to the Subject Contract to formalize the date changes reflected herein.

Please indicate your acceptance of this letter Agreement in the space provided below.

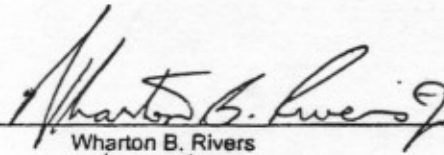
Sincerely,

SPACE SYSTEMS/LORAL, INC.



R. A. Haley
Sr. Vice President Finance & Contracts

Agreed and Accepted by TerreStar Networks:


Wharton B. Rivers
12/15/03
Date

**SPACE SYSTEMS
LORAL**

3825 Fabian Way
Palo Alto, CA 94303-4604

Ronald A. Haley
Senior Vice President
Finance and Contracts

January 14, 2004

In reply cite:
2004-TerreStar-010

TerreStar Networks, Inc.
7925 Jones Branch Drive
McLean, VA 22102

Attention: Mr. Wharton B. Rivers
President & CEO

Subject: TerreStar Satellite Contract dated July 14, 2002; Agreement to Amend the Contract

Reference: Space Systems/Loral (SS/L) letter 2003-TerreStar-008 dated December 15, 2003

Dear Mr. Rivers,

By the reference letter agreement, TerreStar and SS/L agreed to extend through today the date by when the FCC must reinstate the TMI 2GHz license. In anticipation of TerreStar's continued efforts to obtain FCC reinstatement of the TMI 2GHz license as described in Contract Amendment 3, TerreStar and SS/L hereby agree to as follows:

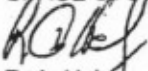
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- All dates specified in Article 24 Options shall be updated as necessary to reflect all schedule changes effected by Amendment 3, all previous extension letters and this extension letter.
- TerreStar Networks and SS/L will execute a conforming amendment to the Subject Contract to formalize the date changes reflected herein.

Please indicate your acceptance of this letter Agreement in the space provided below.

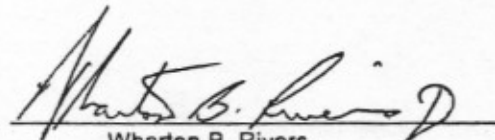
Sincerely,

SPACE SYSTEMS/LORAL, INC.



R. A. Haley
Sr. Vice President Finance & Contracts

Agreed and Accepted by TerreStar Networks:


Wharton B. Rivers

1/14/04
Date

SPACE SYSTEMS
LORAL

3825 Fabian Way
Palo Alto, CA 94303-4604

Ronald A. Haley
Senior Vice President
Finance and Contracts

February 12, 2004

In reply cite:
2004-TerreStar-011

TerreStar Networks, Inc.
7925 Jones Branch Drive
McLean, VA 22102

Attention: Mr. Wharton B. Rivers
President & CEO

Subject: TerreStar Satellite Contract dated July 14, 2002; Agreement to Amend the Contract

Reference: Space Systems/Loral (SS/L) letter 2004-TerreStar-010 dated January 14, 2004

Dear Mr. Rivers,

By the reference letter agreement, TerreStar and SS/L agreed to extend through today the date by when the FCC must reinstate the TMI 2GHz license. In anticipation of TerreStar's continued efforts to obtain FCC reinstatement of the TMI 2GHz license as described in Contract Amendment 3, TerreStar and SS/L hereby agree to as follows:

- [REDACTED]
- [REDACTED]
- All dates specified in Article 24 Options shall be updated as necessary to reflect all schedule changes effected by Amendment 3, all previous extension letters and this extension letter.
- TerreStar Networks and SS/L will execute a conforming amendment to the Subject Contract to formalize the date changes reflected herein.

Please indicate your acceptance of this letter Agreement in the space provided below.

Sincerely,

SPACE SYSTEMS/LORAL, INC.

R. A. Haley
R. A. Haley

Sr. Vice President Finance & Contracts

Agreed and Accepted by TerreStar Networks:

Wharton B. Rivers
Wharton B. Rivers
2/13/04
Date

**SPACE SYSTEMS
LORAL**

3825 Fabian Way
Palo Alto, CA 94303-4604

Ronald A. Haley
Senior Vice President
Finance and Contracts

March 11, 2004

In reply cite:
2004-TerreStar-012

TerreStar Networks, Inc.
7925 Jones Branch Drive
McLean, VA 22102

Attention: Mr. Wharton B. Rivers
President & CEO

Subject: TerreStar Satellite Contract dated July 14, 2002; Agreement to Amend the Contract

Reference: Space Systems/Loral (SS/L) letter 2004-TerreStar-011-dated February 13, 2004

Dear Mr. Rivers,

By the reference letter agreement, TerreStar and SS/L agreed to extend through today the date by when the FCC must reinstate the TMI 2GHz license. In anticipation of TerreStar's continued efforts to obtain FCC reinstatement of the TMI 2GHz license as described in Contract Amendment 3, TerreStar and SS/L hereby agree to as follows:

- [REDACTED]
- [REDACTED]
- All dates specified in Article 24 Options shall be updated as necessary to reflect all schedule changes effected by Amendment 3, all previous extension letters and this extension letter.
- TerreStar Networks and SS/L will execute a conforming amendment to the Subject Contract to formalize the date changes reflected herein.

Please indicate your acceptance of this letter Agreement in the space provided below.

Sincerely,

SPACE SYSTEMS/LORAL, INC.

R.A. Haley
R. A. Haley
Sr. Vice President Finance & Contracts

Agreed and Accepted by TerreStar Networks:

Wharton B. Rivers
Wharton B. Rivers
3/12/04
Date

**SPACE SYSTEMS
LORAL**

3825 Fabian Way
Palo Alto, CA 94303-4604

Ronald A. Haley
Senior Vice President
Finance and Contracts

April 12, 2004

In reply cite:
2004-TerreStar-012

TerreStar Networks, Inc.
7925 Jones Branch Drive
McLean, VA 22102

Attention: Mr. Wharton B. Rivers
President & CEO

Subject: TerreStar Satellite Contract dated July 14, 2002; Agreement to Amend the Contract

Reference: Space Systems/Loral (SS/L) letter 2004-TerreStar-012 dated March 11, 2004

Dear Mr. Rivers,

By the reference letter agreement, TerreStar and SS/L agreed to extend through today the date by when the FCC must reinstate the TMI 2GHz license. In anticipation of TerreStar's continued efforts to obtain FCC reinstatement of the TMI 2GHz license as described in Contract Amendment 3, TerreStar and SS/L hereby agree to as follows:

- [REDACTED]
- [REDACTED]

- All dates specified in Article 24 Options shall be updated as necessary to reflect all schedule changes effected by Amendment 3, all previous extension letters and this extension letter.
- TerreStar Networks and SS/L will execute a conforming amendment to the Subject Contract to formalize the date changes reflected herein.

Please indicate your acceptance of this letter Agreement in the space provided below.

Sincerely,

SPACE SYSTEMS/LORAL, INC.

R. A. Haley
Sr. Vice President Finance & Contracts

Agreed and Accepted by TerreStar Networks:

Wharton B. Rivers
 4/12/04
 Date

SPACE SYSTEMS
LORAL

3825 Fabian Way
Palo Alto, CA 94303-4604

Ronald A. Haley
Senior Vice President
Finance and Contracts

May 11, 2004

In reply cite:
2004-TerreStar-013

TerreStar Networks, Inc.
7925 Jones Branch Drive
McLean, VA 22102

Attention: Mr. Wharton B. Rivers
President & CEO

Subject: TerreStar Satellite Contract dated July 14, 2002; Agreement to Amend the Contract

Reference: Space Systems/Loral (SS/L) letter 2004-TerreStar-012 dated April 12, 2004

Dear Mr. Rivers,

By the reference letter agreement, TerreStar and SS/L agreed to extend through today the date by when the FCC must reinstate the TMI 2GHz license. In anticipation of TerreStar's continued efforts to obtain FCC reinstatement of the TMI 2GHz license as described in Contract Amendment 3, TerreStar and SS/L hereby agree to as follows:

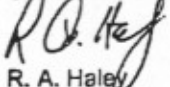
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- All dates specified in Article 24 Options shall be updated as necessary to reflect all schedule changes effected by Amendment 3, all previous extension letters and this extension letter.
- TerreStar Networks and SS/L will execute a conforming amendment to the Subject Contract to formalize the date changes reflected herein.

Please indicate your acceptance of this letter Agreement in the space provided below.

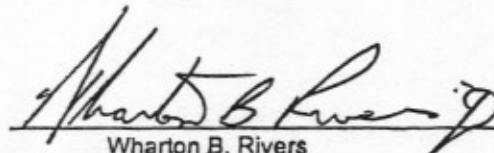
Sincerely,

SPACE SYSTEMS/LORAL, INC.



R. A. Haley
Sr. Vice President Finance & Contracts

Agreed and Accepted by TerreStar Networks:


Wharton B. Rivers

5/11/04
Date

SPACE SYSTEMS LORAL

3825 Fabian Way
Palo Alto, CA 94303-4604

June 9, 2004

TerreStar Networks, Inc.
7925 Jones Branch Drive
McLean, VA 22102

Attention: Mr. Wharton B. Rivers
President & CEO

Ronald A. Haley
Senior Vice President
Finance and Contracts



In reply cite:
2004-TerreStar-014

Subject: TerreStar Satellite Contract dated July 14, 2002; Agreement to Amend the Contract

Reference: Space Systems/Loral (SS/L) letter 2004-TerreStar-013 dated May 11, 2004

Dear Mr. Rivers,

By the reference letter agreement, TerreStar and SS/L agreed to extend the date by when the FCC must reinstate the TMI 2GHz license. In anticipation of TerreStar's continued efforts to obtain FCC reinstatement of the TMI 2GHz license as described in Contract Amendment 3, TerreStar and SS/L hereby agree to as follows:

- 
- 
- All dates specified in Article 24 Options shall be updated as necessary to reflect all schedule changes effected by Amendment 3, all previous extension letters and this extension letter.
- TerreStar Networks and SS/L will execute a conforming amendment to the Subject Contract to formalize the date changes reflected herein.

Please indicate your acceptance of this letter Agreement in the space provided below.

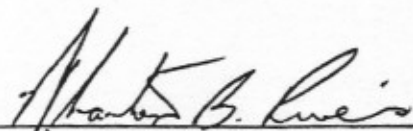
Sincerely,

SPACE SYSTEMS/LORAL, INC.



R. A. Haley
Sr. Vice President Finance & Contracts

Agreed and Accepted by TerreStar Networks:


 Wharton B. Rivers
 6/9/04
 Date

**CONTRACT AMENDMENT NO. 4 TO
CONTRACT BETWEEN
TERRESTAR NETWORKS, INC.
AND
SPACE SYSTEMS/LORAL, INC.
FOR TERRESTAR 1 SATELLITE PROGRAM**

THIS CONTRACT AMENDMENT NO. 4 (the "Amendment") is entered into effective as of the 26th day of July 2004, between TERRESTAR NETWORKS, INC. (the "Purchaser") and SPACE SYSTEMS/LORAL, INC. (the "Contractor", and collectively with Purchaser referred to as the "Parties" and individually as a "Party").

WHEREAS, Contractor and Purchaser are the parties to a Contract effective July 14, 2002, including Amendments 1, 2 and 3 thereto and certain letter agreements dated October 15, 2003, November 14, 2003, December 15, 2003, January 14, 2004, February 12, 2004, March 11, 2004, April 12, 2004, May 11, 2004 and June 9, 2004 (as so amended, the "Contract"), and

WHEREAS, the Federal Communications Commission (the "FCC") revoked on February 10, 2003 the 2GHz license granted by the FCC to TMI Communications and Company, Limited Partnership (the "License"), who is an affiliate of Purchaser, and which License is necessary for authorization by the United States to operate the Satellite being purchased under the Contract, and

WHEREAS, the FCC reinstated the License on June 29, 2004, and

WHEREAS, pending reinstatement of the License, Purchaser and Contractor agreed to delay Contract performance and extend the associated schedules accordingly; and

WHEREAS, Contractor is currently a debtor in possession in Chapter 11 Case Nos. (RDD) 03-41709 (RDD) through 03-41728 (RDD), filed in the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on July 15th, 2003 (the "Petition Date"); and

WHEREAS, Purchaser and Contractor now desire to resume performance under the Contract, to revise the Satellite requirements specification, reschedule various performance dates including the Critical Design Review (CDR), and satellite delivery date, revise the payment plan and to make such related and other changes as set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and conditions in this Amendment and in the Contract, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

A. Amended Provisions

1. ARTICLE 1 - DEFINITIONS

DELETE Article 1.51 in its entirety and **INSERT IN LIEU THEREOF:**

1.51 "Satellite" means the communication satellite that is to be manufactured by Contractor and to be delivered to Purchaser pursuant to this Contract."

2. ARTICLE 2 - SCOPE OF WORK:

a. DELETE Article 2.1.1, Exhibit A, Statement of Work, dated July 14, 2002 in its entirety and INSERT IN LIEU THEREOF as follows:

"2.1.1 Exhibit A, Statement of Work, Revision 1 dated July 22, 2004 "

b. DELETE Article 2.1.2 Exhibit B, Satellite Performance Specification, dated July 14, 2002 in its entirety and INSERT IN LIEU THEREOF as follows:

"2.1.2 Exhibit B, Satellite Performance Specification, Revision 1 dated July 22, 2004"

c. [REDACTED]

d. [REDACTED]

e. [REDACTED]

f. [REDACTED]

g. [REDACTED]

[REDACTED]

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Amendment No. 4 to TerreStar Contract

10. ARTICLE 23 – TERMINATION FOR DEFAULT AND EXCESSIVE FORCE MAJEURE,

- a. DELETE Article 23.1.1, Right to Terminate, in its entirety and INSERT IN LIEU THEREOF:

"23.1.1 Right to Terminate. Subject to Article 23.1.4 below, Purchaser may terminate this Contract in whole or in part by written notice to Contractor if (i) Contractor fails to deliver the Satellite within the time specified therefor plus the maximum number of days for liquidated damages specified in Article 22 (or such longer time as may be agreed to in writing by Purchaser); or (ii) Contractor commits a material breach of this Contract (other than failure to meet any

scheduled delivery due hereunder) or it becomes reasonably certain from and after February 26, 2005 that Contractor will fail to Deliver the Satellite within the time specified therefor plus the maximum number of days for liquidated damages specified in Article 22 (or such longer time as may be agreed to in writing by Purchaser) and fails, within ninety (90) days (or such longer period as may be agreed to in writing by Purchaser) after receipt from Purchaser of written notice thereof, to cure such material breach or provide reasonable assurances that it will Deliver the Satellite within the time specified therefor plus the maximum number of days for liquidated damages specified in Article 22 (or such longer time as may be agreed to in writing by Purchaser), as applicable."

11. ARTICLE 24 – OPTIONS.

DELETE Article 24 – Options, in its entirety and INSERT IN LIEU THEREOF:

"ARTICLE 24 – RESERVED"

12. ARTICLE 35 – RISK MANAGEMENT SERVICES

Delete Article 35.1, Purchaser Responsibility, in its entirety and INSERT IN LIEU THEREOF:

"35.1 Purchaser Responsibility

Purchaser shall be responsible for procuring any Launch and in-orbit insurance policy covering the risks of Launch and in-orbit failures with respect to partial loss and total loss of the Satellite ("Launch and In-Orbit Insurance Policy") from and after Intentional Ignition.

IN NO EVENT SHALL PURCHASER DISCLOSE OR TRANSFER CONTRACTOR PROVIDED TECHNICAL INFORMATION OR PROVIDE TECHNICAL SERVICES BASED ON CONTRACTOR FURNISHED TECHNICAL INFORMATION TO NON-U.S. PERSONS OR INSURANCE BROKERS OR UNDERWRITERS OR OTHER NON-U.S. PERSONS OR ENTITIES (AS DEFINED IN 22 CFR SECTION 120.15 AND SECTION 120.16) WITHOUT CONTRACTOR'S PRIOR WRITTEN APPROVAL AND, WHERE REQUIRED, PRIOR APPROVAL OF THE U.S. GOVERNMENT"

- B. Nothing contained herein shall be construed as (i) the assumption or rejection by Contractor pursuant to Section 365 of Title 11 of the United States Code of the Contract or any other agreements, or (ii) the creation of a post-petition obligation with respect to the Contract or any other agreements.

C. This Amendment and the Contract together constitute the entire agreement and understanding between the Parties in connection with the transactions hereby contemplated. This Amendment supersedes all previous agreements, arrangements and understandings between the Parties with regard to such transactions, which shall cease to have any further force of effect (other than the Contract, which shall continue to remain in full force and effect as amended hereby). Neither Party is entering into this Amendment or any of the arrangements hereby contemplated in reliance on any representation, warranty or undertaking not expressly set out or referred to in this Amendment. All claims for adjustments to the Contract based solely or substantially on any work stoppage prior to the date of this Amendment are resolved and included in this Amendment.

D. **Defined Terms:** All capitalized terms in this Amendment, not otherwise defined herein, shall have the same meaning as ascribed to them in the Contract.

IN WITNESS WHEREOF, the parties have executed this Amendment Number 4 to the Contract effective as of the date first written above:

CONTRACTOR:

SPACE SYSTEMS/LOFIAL, INC.

By: [Signature]
 Name: R.A. Haley
 Title: Sr VP Finance & Contracts

PURCHASER:

TERRESTAR NETWORKS INC.

By: [Signature]
 Name: WHARTON B. RICE, JR
 Title: PRESIDENT AND CEO

ATTACHMENT A
Replacement Exhibit F
Payment Plan

EXHIBIT F - TerreStar Satellite Program
Payment Plan (not including Orbital Performance Incentives)
July 26, 2004 (US\$)