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July 17, 2003

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Satellite Division

~~Madame H. Dortch~~
Secretary
Federal Communications Commission
236 Massachusetts Avenue, N.E., Suite 110
Washington, DC. 20002

Received

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

JUL 25 2003

Policy Branch
International Bureau

Re: TMI Communications and Company Limited Partnership
Letter of Intent (LOI) Authorization
File No. 189-SAT-LOI-97
IBFS Nos. SAT-LOI-19970926-00161
SAT-AMD-20001103-60158

Int'l Bureau
JUL 21 2003
Front Office

Dear Madam Secretary:

This is written on behalf of TMI Communications and Company Limited Partnership (TMI), and its affiliate, TerreStar Networks, Inc. (TerreStar), pursuant to Section 25.143(e)(3) of the Commission's rules*, to advise the Commission that the second July 17, 2003 implementation milestone (i.e., "Complete Critical Design Review" (CDR)) contained in TMI's 2 GHz Mobile Satellite Service (MSS) authorization (see Order, DA-01-1638, released July 17, 2001) has not been met given the unresolved legal status of TMI's authorization.

On July 26, 2002, TMI submitted a certification to the Commission advising that TMI had met the initial implementation milestone in the FCC authorization (i.e., "enter Non-Contingent Satellite Manufacturing Contract") based upon interrelated satellite procurement and manufacturing agreements between TMI and TerreStar, on the one hand, and TerreStar and Space Systems/Loral, Inc. (Loral), on the other. However, on February 7, 2003 the International Bureau adopted a *Memorandum Opinion and Order*, DA-03-385, holding that, notwithstanding the foregoing agreements – which bind Loral to manufacture the authorized 2 GHz mobile satellite for TerreStar which, in turn, is bound to deliver the satellite to TMI – the initial implementation milestone had not been met. The Bureau consequently declared TMI's above referenced Letter of Intent (LOI) authorization "null and void." The pending application of TMI to assign its authorization to TerreStar was also dismissed as "moot."

On March 12, 2003, TMI and TerreStar filed a "Request for Stay" and "Application for Review" of the Bureau's Order. In connection therewith, the Commission was asked to toll the remaining milestones contained in TMI's authorization so that the ability of TMI and TerreStar, following the assignment, to meet the milestones would not be prejudiced if the Commission later reinstated TMI's authorization and, thereafter, approved the parties' proposed assignment.

* Section 25.143(e)(3) provides that all 2 GHz MSS operators "shall, within 10 days after a required implementation milestone, as specified in the system authorization, certify to the Commission that the milestone has been met or notify the Commission by letter that it has not been met."

Marlene H. Dortch

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At this writing, the Commission has not acted on the aforescribed "Request For Stay" or the "Application For Review." Thus, the terms of TMI's authorization, including the obligation to complete the second (CDR) milestone by July 17, 2003 remain "null and void."

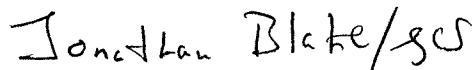
We reiterate, however, that TMI is prepared to meet the CDR and other remaining milestones in its authorization, as is TerreStar, (following an assignment), upon grant of the outstanding tolling request and the Application for Review.

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

Very truly yours,



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and Company, Inc.
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