Exhibit C

Application Description

Pursuant to Section 25.117(c) of the Commission's rules, 47 C.F.R. § 25.117(c), SkyTerra Subsidiary LLC ("SkyTerra"), the licensee of SkyTerra 1, a Mobile Satellite Service ("MSS") satellite, hereby requests a five-month extension, up to and including October 31, 2010, to meet its "launch and begin operations" milestone. As explained more fully below, in July 2009 the spacecraft manufacturer, Boeing Satellite Systems, Inc. ("Boeing"), projected a potential delay in satellite construction due to unforeseeable circumstances beyond SkyTerra's control. This delay required SkyTerra to reschedule the launch window for SkyTerra 1 to the August to October 2010 period. Construction of the SkyTerra 1 satellite is now nearly complete but launch is not possible before the May 26, 2010 milestone. Extending the milestone is thus necessary to accommodate the new delivery schedule and will allow SkyTerra to deliver the significant public interest benefits of a next-generation MSS system. Once deployed, SkyTerra's next-generation satellite-terrestrial network will extend broadband access to rural areas, enhance reliable public safety communications, increase wireless competition and spectrum efficiency, extend United States technology leadership, and stimulate job creation; all of which are consistent with key FCC and United State priorities. The International Bureau ("Bureau") has granted milestone extensions under similar circumstances, and it should reach the same conclusion here.

SkyTerra also modifies, in part, its orbital debris mitigation statement and requests waiver of that portion of Section 25.283(c) of the Commission's rules, 47 C.F.R.

§ 25.283(c), requiring the relief of pressure vessels at satellite end-of-life. As explained more fully below, good cause exists for waiver of this requirement. 47 C.F.R. § 1.3.

I. Grant of the Milestone Extension Request is Warranted

A. The Construction Delay Was Unforeseeable and Beyond SkyTerra's Control

Delay in the completion of the satellite construction was principally caused by development and integration issues associated with the advanced satellite system design, notably the state-of-the-art 22-meter L-Band reflector and spacecraft test programs. Several design iterations in the mesh management system were required during deployment evaluation testing. As a result, additional evaluation testing was performed to mitigate downstream risk prior to the reflector being released into single line flow of the satellite program.

In March 2009, the reflector was projected to be delivered to Boeing by July 2009. By July 2009, however, Boeing's projected delivery of the reflector slipped from July 2009 to the first quarter of 2010, as reflected in SkyTerra's disclosures in its SEC filings.[1] Ultimately, the reflector was delivered to Boeing in January 2010. While the enhanced test program resulted in the reflector delivery delay to Boeing by its subcontractor, both SkyTerra and Boeing technical teams are pleased with the results and the ensuing confidence gained by conducting the additional tests.

Accordingly, while SkyTerra developed what it believed to be a reasonable delivery schedule with its vendors, the above events occurred delaying the delivery of a spacecraft suitable for testing and launch before the relevant milestone deadline. These

[1] *See* SkyTerra L.P., SEC Form 8-K (July 24, 2009), *available at* http://www.sec.gov/Archives/edgar/data/756502/000075650209000049/form8k.htm (last visited March 16, 2010) (delivery of the spacecraft is scheduled for the second quarter of 2010). Contemporaneously with the SEC filing, SkyTerra informally notified the Bureau that a waiver request would be forthcoming.

events were not within the control of SkyTerra, and together resulted in a delivery delay that SkyTerra could not reasonably foresee.

Based on the potential spacecraft delivery delay projected by Boeing in July 2009, SkyTerra negotiated with its launch vehicle provider, International Launch Services, Inc. ("ILS"), to reschedule the launch of SkyTerra 1 on the launch manifest for a launch window of August to October 2010. At the time, this launch window was the earliest reasonable period, consistent with launch vehicle availability, providing some minor schedule margin in the event of further unanticipated delays.

B. The Construction and Delivery of the Satellite is Nearly Complete

All components and subsystems have been completed and integrated on the SkyTerra 1 satellite. Accordingly, construction of the main body of SkyTerra 1 is 100% complete and the satellite is in Final Integrated System Test ("FIST"). Attached are several photographs of the completed spacecraft body. *See* Attachment A.

SkyTerra 1 has successfully completed the following major test milestones, and there are no significant outstanding technical issues at this time:

- Spacecraft-level Thermal Vacuum Testing;
- Spacecraft-level Mechanical Environmental Testing;
- Spacecraft compatibility testing with the Ground Based Beam Forming ("GBBF") Network;
- Spacecraft compatibility testing with the Spacecraft Control System;
- L-Band Reflector Pre- and Post-Environmental Deployment Testing; and
- Final Reflector Tests.

The remaining major milestones for the program include:

- Final L-Band Reflector Stowage and shipment to Boeing; and
- Final Integrated System Testing.

Boeing's projected ready-for-shipment date is May 2010. SkyTerra has paid 90% of the contract price for the satellite, and the contract is in full force and effect. Attached is a letter from Boeing verifying the progress of the satellite construction and testing and the status of the manufacturing contract. *See* Attachment B.

ILS has agreed to a launch window of August to October 2010. SkyTerra has paid ILS 100% of the price of the launch services contract, and the contract is in full force and effect. Attached is a letter from ILS verifying the launch window and the status of the launch contract. *See* Attachment C.

SkyTerra has also made significant progress with other elements of its next-generation system, further evincing its commitment to deploy the satellite system. In September 2008, SkyTerra and Qualcomm signed an agreement pursuant to which Qualcomm will integrate SkyTerra's satellite protocol into tens of millions of its chipsets for a wide variety of next-generation user devices.[2] More recently, SkyTerra signed agreements with Hughes Network Systems, LLC and Infineon Technologies AG, a leading semiconductor manufacturer, for the development of a software-defined radio MSS/ATC chipset,[3] and with Alcatel-Lucent, for development of ATC base station

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[2] *See* SkyTerra Press Release, SkyTerra's Mobile Satellite Ventures, ICO Global Communications, and Qualcomm Sign Groundbreaking Technology Agreement Enabling First-Ever Integration of Satellite Communications into Mass Market Cellular Handsets and Devices (September 22, 2008), *available at* http://www.skyterra.com/media/press-releases-view.cfm?id=187&yr=2008 (last visited February 9, 2010).

[3] *See* SkyTerra Press Release, Infineon, SkyTerra and TerreStar Announce Agreement to Develop the World's First Satellite-Cellular Mobile Platform Based on SDR Technology (April 1, 2009), *available at* http://www.skyterra.com/media/press-releases-view.cfm?id=204&yr=2009 (last visited February 9, 2010); Hughes Press Release, (April 2, 2009), *available at* http://www.hughes.com/HUGHES/Doc/0/K9D9RKIS7134DA5A60IIO1O69C/04-02-09_Hughes_Announces_Agreement_

technology.[4] Construction of the ground infrastructure (i.e. buildings, generators, UPS, and HVAC) at the four gateway facilities for the satellite network is complete; all of the radiofrequency equipment has been installed; and the GBBF equipment has been installed for both SkyTerra 1 and SkyTerra 2[5] at the four gateway facilities (Cedar Hill, Napa, Ottawa and Saskatoon).

C. FCC Precedent Supports Grant of the Milestone Extension

The Commission imposes milestone deadlines for satellite system implementation in order to ensure that licensees proceed with construction and launch of their satellites in a timely manner and that valuable spectrum will not be held, to the exclusion of others, by those who are unwilling or unable to proceed.[6] Extensions may be granted when the delay is due to unforeseeable circumstances beyond the applicant's control, or when there are unique and overriding public interest concerns that justify an extension.[7]

Bureau precedent unambiguously supports grant of the milestone extension requested here.[8] For example, in *New ICO Satellite Services G.P.*, the Bureau granted

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with_SkyTerra_and_TerreStar_to_Implement_GMR1-3G_Satellite_Air_Interface_on_Chipset_for_Wireless_Handsets.htm (last visited February 9, 2010).

[4] *See* SkyTerra Press Release, Alcatel-Lucent to Develop Satellite Base Station Sub-Systems for SkyTerra and TerreStar to Support 3G Satellite Communications (April 1, 2009), *available at* http://www.skyterra.com/media/press-releases-view.cfm?id=205&yr=2009 (last visited February 9, 2010).

[5] The space segment of the next-generation system will also include SkyTerra 2, which is authorized by Industry Canada. SkyTerra does not in this application seek Commission authority to access SkyTerra 2.

[6] *See, e.g., Amendment of the Commission's Space Station Licensing Rules and Policies, First Report and Order and Further Notice of Proposed Rulemaking*, 18 FCC Rcd 10760, at ¶ 173 (2003); *In the Matter of TerreStar Networks, Inc.*, 22 FCC Rcd 17698, at ¶ 6 (Int'l Bur. 2007).

[7] *See* 47 C.F.R. § 25.117(c); *see also, In the Matter of TerreStar Networks, Inc.*, 22 FCC Rcd 17698, at ¶ 6 (Int'l Bur. 2007); *In the Matter of New ICO Satellite Services, G.P.*, 22 FCC Rcd 2229, at ¶ 14 (Int'l Bur. 2007).

[8] *See, e.g., WB Holdings 1 LLC*, 20 FCC Rcd 10846 (Int'l Bur. 2005) (12-month launch and operate milestone extension granted; construction of satellite complete except for final testing); *Loral SpaceCom Corporation, DIP*, 18 FCC Rcd 21851 (Int'l Bur. 2003) (15-month construction completion and 16-month launch milestone extensions granted; satellite construction was 80% complete and 60% funded; satellite incorporated technology used for the first time, resulting in difficult and numerous engineering challenges).

the licensee five-month construction completion and launch milestone extensions because of technical problems identified by the satellite manufacturer regarding the satellite's capacitors, composite waveguides, and precision oscillators integral to its GBBF technology.[9] In doing so, the Bureau explained that the manufacturing problems were circumstances beyond the licensee's control and found significant the fact the licensee had completed over 85% of the satellite construction and paid approximately 93% of its total satellite contract price and 75% of its total launch costs.[10]

In *TerreStar Networks, Inc*., the Bureau concluded that there were overriding public interest considerations warranting a 10-month launch milestone extension. [11] According to the Bureau, the licensee had demonstrated a substantial and continuing commitment to construction and system implementation.[12] The licensee had completed 84% of the satellite construction and paid 97% of the satellite contract price and 70% of the launch contract price. The Bureau also noted that grant of the extension would serve the public interest because it would allow the licensee "that has demonstrated diligence and commitment . . . to expeditiously complete implementation of a satellite system with advanced capabilities for homeland security, rural connectivity, and other critical communications purposes."[13]

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[9] *In the Matter of New ICO Satellite Services, G.P.*, 22 FCC Rcd 2229 (Int'l Bur. 2007).

[10] *Id*.

[11] *In the Matter of TerreStar Networks, Inc.*, 22 FCC Rcd 17698 (Int'l Bur. 2007). Technically, the applicant for the milestone extension in this case held a reservation of spectrum and was not an FCC "licensee." This distinction, however, is not material to the milestone extension analysis, and for convenience and consistency, the applicant is simply referred to as a satellite licensee.

[12] Given the satellite construction progress, the Bureau concluded that it was not necessary to determine whether the alleged manufacturing difficulties were beyond the licensee's control, as one party had challenged in that proceeding. *Id*. at ¶ 7.

[13] *Id*. at ¶ 10.

In *Intelsat LLC*, the Bureau granted a six-month construction completion and an eight-month launch milestone extension request.[14] The satellite was the first of its kind manufactured and tested by the spacecraft manufacturer, resulting in a number of unanticipated technical problems and leading to the redesign, reworking, and retesting of various components. The satellite was also 85% complete, and the licensee had provided a concrete plan for completing construction and launching within several months.

As explained above in Part I.A, the satellite program delay was beyond SkyTerra's control. Unanticipated manufacturing issues with the design and construction of the state-of-the-art, 22-meter L-band reflector resulted in delay in the satellite construction and the rescheduling of the launch window for the August to October 2010 period.

SkyTerra has demonstrated a substantial and continuing commitment to satellite construction and system implementation. The main body of the spacecraft is fully constructed and the primary tasks remaining before launch are testing of the reflector and the fully integrated system. SkyTerra has paid approximately 90% of the satellite contract price. The spacecraft is scheduled for launch during the August to October 2010 window, and SkyTerra has paid approximately 100% of the launch contract price.

Additionally, there are unique and overriding public interest reasons for granting the milestone extension request. SkyTerra and Boeing have labored for over four years to complete construction of a state-of-the-art next-generation MSS satellite, and soon it will be ready for launch. Many of the benefits the new system has to offer, including

[14] *Intelsat LLC*, 19 FCC Rcd 5266 (Int'l Bur. 2004).

extending rural broadband access,[15] providing reliable public safety communications,[16] increasing wireless competition[17] and spectrum efficiency,[18] expanding United States technology leadership and stimulating job creation,[19] are fully consistent with key FCC

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[15] *See, e.g.*, *Federal Communications Commission Strategic Plan for Fiscal Years 2009 to 2014*, DOC-283196A1, at p. 5 (2008) ("*2009-2014 Strategic Plan*") ("The commission shall continue to encourage and promote broadband development, deployment, and availability, particularly to those in rural, low-income, or underserved areas."); *In the Matter of a National Broadband Plan for Our Future*, Notice of Inquiry, FCC 09-31, GN Docket 09-51, at ¶ 1 (2009) ("*Broadband NOI*") ("[U]biquitous broadband can help to restore America's economic well-being and open the doors of opportunity for more Americans, no matter who they are, where they live, or the particular circumstances of their lives."). The deployment of broadband services to rural areas is also supported strongly by Congress and this Administration. *See* American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) ("The Recovery Act") (establishing billions of dollars in loan and grant money to expand broadband deployment in rural areas); *see also* http://www.whitehouse.gov/issues/rural/ ("President Obama supports a comprehensive plan and substantial investments in the expansion of rural broadband so that all areas of the country have access to the tools for fair competition in a 21st century economy.") (last visited March 1, 2010).

[16] *See, e.g.*, *2009-2014 Strategic Plan*, at p. 3 ("Communications during emergencies and crises must be available for public safety, health, defense, and emergency personnel, as well as all consumers in need."); *In the Matter of Service Rules for the 698-746, 747-762 and 777-792 MHz Bands*, Second Report and Order, 22 FCC Rcd 15289, at ¶ 464 (2007) (imposing requirement for D block licensee to make available to public safety users at least one handset that includes an integrated satellite solution in order to bolster the availability, robustness, and survivability of public safety communications networks).

[17] *See, e.g.*, *2009-2014 Strategic Plan*, at p. 7 ("The Commission shall seek to establish a consistent and transparent regulatory framework across all communications platforms (e.g., wireline, wireless, satellite, cable) to encourage both intra-modal and inter-modal competition."); *In the Matter of Service Rules for the 698-746, 747-762 and 777-792 MHz Bands*, Second Report and Order, 22 FCC Rcd 15289, at ¶¶ 290-91 (2007) (establishing package bidding for certain 700 MHz licenses in order "to facilitate the entry of a new nationwide competitor"); *Promoting Efficient Use of Spectrum Through Elimination of Barriers to the Development of Secondary Markets*, Report and Order, 18 FCC Rcd 20604 (2003) (establishing flexible policies regarding secondary markets for wireless spectrum in order to increase wireless competition and efficiency in spectrum use).

[18] *See, e.g.*, *2009-2014 Strategic Plan*, at p. 9 ("The Commission shall develop policies that promote efficient and effective use of spectrum."); *Unlicensed Operation in the TV Broadcast Bands*, Second Report and Order, 23 FCC Rcd 16807, at ¶ 2 (2008) ("[A]llowing use of the TV white spaces by unlicensed devices will have significant benefits for both businesses and consumers and thereby promote more efficient and effective use of the TV spectrum."); *Promoting Efficient Use of Spectrum Through Elimination of Barriers to the Development of Secondary Markets*, Report and Order, 18 FCC Rcd 20604 (2003) (establishing flexible policies regarding secondary markets for wireless spectrum in order to increase wireless competition and efficiency in spectrum use).

[19] *See, e.g.*, *2009-2014 Strategic Plan*, at p. 5 ("The Commission shall encourage and facilitate an environment that stimulates investment and innovation in broadband technologies and services."); *Broadband NOI*, at ¶ 9 (The Commission "must include a plan for use of broadband infrastructure and services in advancing a broad array of public interest goals, including … private sector investment, entrepreneurial activity, job creation and economic growth, and other national purposes."); *see also* The Recovery Act, at Sec. 3 ("The purposes of this Act include . . . [t]o preserve and create jobs and promote economic recovery."); *see also* "The Economic Impact and Associated Employment of SkyTerra's Network Deployment," Appendix D, File Nos. SES-MOD-20090429-00536, SAT-MOD-20090429-

and United States priorities. Accordingly, the Bureau should grant SkyTerra's request for extension of its launch and begin operation milestone.[20]

II. Grant of the Request for Waiver of the Commission's Requirement to Relieve Pressure Vessels at Satellite End-Of-Life is Warranted

Section 25.283(c) specifies that satellites must discharge all stored energy sources at end-of-life of the space station, including "by venting excess propellant, . . . relieving pressure vessels, and other appropriate measures." 47 C.F.R. § 25.283(c). As part of the orbital debris mitigation statement submitted with its satellite application, SkyTerra had stated that once SkyTerra 1 "reaches its final disposal orbit, all on-board sources of stored energy will be removed by depleting all propellant tanks, venting all pressurized systems, discharging batteries, and turning off all active units."[21] However, SkyTerra 1 is a Boeing Model 702 satellite, which is not designed to allow for the discharge of all pressurant upon satellite end-of-life. Rather, consistent with Boeing's practice with respect to a number of its spacecraft buses, the helium tanks are isolated at the end of transfer orbit and the amount of the remaining gas and the low pressurization in the tanks result in minimal potential for accidental explosions during and after completion of

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00047, SAT-MOD-20090429-00046 (April 29, 2009) (indicating that SkyTerra's next-generation system will have an important positive impact on the creation of high-paying American jobs).

[20] In the event that the Commission finds that SkyTerra has not satisfied the standard for a milestone extension, SkyTerra requests partial waiver of the launch and begin operations milestone requirement to permit the requested additional time to comply with the requirement. 47 C.F.R. § 1.3 (Commission may waive its rules for good cause); *see also WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972); *Northeast Cellular Telephone Co., LP v. FCC*, 897 F.2d 1164 (D.C. Cir. 1990). As explained above, the evidence of substantial construction demonstrates good cause for a waiver in this case. SkyTerra could neither foresee nor control the cause of the construction delay, and a waiver would not undermine the purpose of the milestone requirements, to deter spectrum warehousing. *See, e.g.*, *Echostar Satellite Corp.*, 18 FCC Rcd 15875, at ¶ 9 (Int'l Bur. 2003); *Astrolink International LLC*, 17 FCC Rcd 11267, at ¶ 6 (Int'l Bur. 2002).

[21] *See* Application, File No. SAT-MOD-20070117-00012, at pp. 47-48 (filed January 17, 2007) ("2007 SkyTerra Application").

mission. Accordingly, SkyTerra modifies its orbital debris mitigation statement and requests waiver of the Commission's rule.[22]

The statement regarding minimizing accidental explosions is revised as follows:[23]

> ~~MSV~~SkyTerra has assessed and will limit the probability of accidental explosions during and after completion of mission operations. The ~~MSV-1~~ SkyTerra 1 satellite is designed to minimize the potential for accidental explosions through propellant leakage and fuel and oxidizer mixing or other means. Propellant tanks and thrusters are isolated using redundant values, and electrical power systems are shielded in accordance with standard industry practices. During the mission, batteries and various critical areas of the propulsion subsystem will be monitored to avoid conditions that could result in explosion. After ~~MSV-1~~ SkyTerra 1 reaches its final disposal orbit, all on-board sources of stored energy will be removed, with the exception of the pressurized vessels discussed below, by depleting all propellant tanks, venting all pressurized systems, discharging batteries, and turning off all active units. SkyTerra 1 uses a Boeing 702 spacecraft bus that has a liquid propulsion system design that includes two helium (pressurant) tanks plus two pairs of fuel and oxidizer tanks. Venting of the excess propellant in the fuel and oxidizer tanks is performed as part of the end-of-life shutdown operations. The helium tanks provide proper propellant tank pressurization for apogee engine firings during transfer orbit. Both helium tanks are isolated at the end of transfer orbit by firing pyrotechnic valves, and there is no venting provision for these helium tanks at the satellite end-of-life. SkyTerra has estimated that approximately 507 grams of Helium will be sealed in each tank when they are isolated resulting in a final pressure of 662 psi, which is extremely low relative to the design burst pressure of 5,249 psi. Due to the low blanket pressure in the Helium tanks at the satellite end-of-life, an explosive event is unlikely, even in the event of a tank rupture (e.g. a meteorite strike). Accordingly, the satellite design results in minimal potential for the release of orbital debris.

Under Section 1.3 of the Commission's rules, 47 C.F.R. § 1.3, the Commission has authority to waive its rules for good cause. Good cause exits if "special circumstances warrant a deviation from the general rule and such deviation will serve the

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[22] The Bureau recently concluded that the orbital debris mitigation practice used for the Boeing 702 bus does not comply with the FCC's orbital debris mitigation requirements regarding venting of excess propellant. *See* Stamp Grant, File No. SAT-LOA-20090807-00085 (dated December 15, 2009).

[23] *See* Section Z.2 of the 2007 SkyTerra Application. The modified text is emphasized using standard blackline edits.

public interest."[24] In determining whether a waiver is appropriate, the Commission should "take into account considerations of hardship, equity, or more effective implementation of overall policy."[25]

Waiver is appropriate in this case because grant would not undermine the purpose of the rule, to reduce the risk of accidental explosion. The amount of the remaining gas in the helium tanks and the low blanket pressure in those tanks at the satellite end-of-life result in minimal potential for accidental explosions during and after completion of mission, consistent with the FCC's rules. Indeed, the Boeing 702 spacecraft bus (and other spacecraft buses with similar designs)[26] has been in commercial service for more than 10 years without incidents involving accidental explosions. Grant of the waiver is also supported on hardship grounds. Construction of the SkyTerra 1 satellite is nearly complete and launch is imminent.[27] Accordingly, any design change cannot be accomplished at this time without extraordinary cost and without jeopardizing the satellite's projected launch date and ITU priority. Under similar circumstances, the Bureau has held that waivers are warranted, and consistent with that precedent, it should grant SkyTerra's request for waiver of the venting requirement.[28]

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[24] *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

[25] *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972).

[26] *See infra* note 28.

[27] *See supra* Part I.B.

[28] *See* Stamp Grant, File No. SAT-LOA-20090807-00085 (granted December 15, 2009) (granting waiver of venting requirement for DIRECTV 12/RB2-A, a Boeing 702 satellite, given its imminent launch); *see also* Stamp Grant, File No. SAT-LOA-20071221-00183 (granted March 12, 2008) (granting a waiver of venting requirement for AMC-14, a Lockheed A2100 satellite, in light of late stage of satellite construction); Stamp Grant, File Nos. SAT-MOD-20070628-00090, SAT-AMD-20070731-00108 (granted November 30, 2007) (granting waiver of venting requirement for Horizons 2, an Orbital Sciences Star satellite, in light of late stage of satellite construction); Stamp Grant, File Nos. SAT-MOD-20070207-00027, SAT-AMD-20070716-00102 (granted October 4, 2007) (granting waiver of venting requirement for INTELSAT-11, an Orbital Sciences Star-2 satellite, in light of late stage of satellite construction).

Technical Certification

I, Jeff Snyder, Vice President of Satellite Engineering for SkyTerra Subsidiary LLC, certify under penalty of perjury that:

I am the technically qualified person with overall responsibility for preparation of the technical information contained in this application. I am familiar with the requirements of Part 25 of the Commission's rules, and the information contained in the application is true and correct to the best of my knowledge and belief.

/s/
Jeff Snyder

Dated: April 5, 2010

Attachment A

Photographs of the SkyTerra 1 Satellite

Diagram 1 – Fully Assembled Satellite. The stowed solar arrays are on the right, and the stowed L-band reflector is the cylindrical spindle just right of the flag. The Ku-band reflector is the dish located at the bottom part of the satellite.

Diagram 2 –L-Band Reflector. The L-band reflector is fully deployed in a face-down configuration at the vendor's site.

Attachment B

Letter from Boeing

Boeing Satellite Systems, Inc.
P.O. Box 92919
Los Angeles, CA 90009-2919

23 March 2010

Reference: 10(T9)94403

SkyTerra LP
10802 Parkridge Boulevard
Reston, VA 20191
Attention: Michael Cannice

Subject: Contract MSV-ATC-01

Dear Mr. Cannice:

As you are aware, Boeing has completed 100% of the construction of the main body of SkyTerra 1. The testing of the fully integrated spacecraft is nearly complete. Specifically, Boeing has successfully completed the following major test milestones:

- Spacecraft-level Thermal Vacuum Testing;
- Spacecraft-level Mechanical Environmental Testing;
- Spacecraft compatibility testing with the Ground Based Beam Forming ("GBBF") Network;
- Spacecraft compatibility testing with the Spacecraft Control System;
- L-Band Reflector Pre- and Post-Environmental Deployment Testing; and
- Final Reflector Tests.

The remaining major milestones for the program include:

- Final L-Band Reflector Stowage and shipment to Boeing; and
- Final Integrated System Testing.

We have received all of the payments due under the contract, totaling approximately 90% of the contract price for the satellite, and the contract is in full force and effect.

Throughout the course of the satellite build, as we encountered schedule challenges, we have worked in conjunction with your team to manage those challenges so as to mitigate any schedule impact. However, as you are aware, in July 2009, we projected a potential delay in satellite construction, due to factors beyond the direct control of Boeing and SkyTerra, which would result in the delivery of the SkyTerra 1 spacecraft in the second quarter of 2010.

We currently estimate the delivery date for the SkyTerra 1 spacecraft to be May 2010, and we are committed fully to meeting that delivery date. We will keep you apprised of any changes, and any other issues, as we complete the integration and testing of the spacecraft.

Sincerely,

Dennis R. Beeson

Dennis R. Beeson
Contract Manager

Attachment C

Letter from ILS

ILS
International Launch Services

ILSB-1003-4106
12 March 2010

Mr. Michael S. Cannice
Director, Contracts
SkyTerra LP
10802 Parkridge Boulevard
Reston, VA 20191

Subject: ILS Letter in support of SkyTerra FCC Milestone Extension

Reference: a) Contract for Launch Services between ILS International Launch Services, Inc. and SkyTerra LP, dated 11 May 2007, as amended (the "Contract")

Dear Mr. Cannice:

In support of SkyTerra's FCC milestone extension request, International Launch Services, Inc. ("ILS") confirms that SkyTerra's designated Launch Period for MSV-1 is 01 August 2010 through 31 October 2010, consistent with terms of the reference a) Contract between SkyTerra and ILS. ILS also confirms that SkyTerra has paid 100% of the Launch Service Payments for MSV-1 and that the reference a) Contract between ILS and SkyTerra is in full force and effect.

If you have any questions regarding this letter, please contact Jim Kramer at (571) 633-7493 or the undersigned at (571) 633-7474.

Sincerely,

Carl J. Holub
Director of Contracts