



November 24, 2010

FILED ELECTRONICALLY

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

**Re: TerreStar Networks Inc.
Ancillary Terrestrial Component Authorization
File No. SES-LIC-20061206-02100
Call Sign E060430**

Dear Ms. Dortch:

Paragraph 34(c) of the order¹ granting the above-referenced authorization to operate ancillary terrestrial component ("ATC") facilities states that the Commission should be notified, by filing a statement for the record, "of any suspension or abrogation of the construction contract for TerreStar-2 or any change in the delivery schedule." TerreStar Networks Inc. ("TerreStar"), debtor-in-possession,² hereby notifies the Commission that in connection with events culminating in TerreStar's filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code, construction of TerreStar-2 has been suspended.

At the time of suspension, construction of TerreStar-2, was largely completed and most construction payments have been made. Construction of the satellite is more than 90% complete, and approximately 95% of the construction costs have been paid. In addition, at the time of suspension initial performance testing, which is used to establish baseline data for all subsystems, and associated activities were underway. Command Functional testing is approximately 90% complete and Bus testing is approximately 30% complete. Planned unit installation is complete except for the following: 4 bus units, 3 payload units, and test couplers. The solar array panels (12) are in storage at Loral. One of the two 3-packs has been assembled and deployed successfully. The 18m Harris reflector completed face-down surface set before being

¹ See *TerreStar Networks Inc., Application for Blanket Authority to Operate Ancillary Terrestrial Component Base Stations and Dual-Mode MSS-ATC Mobile Terminals in the 2 GHz MSS Bands, Order and Authorization, DA 10-60 (Int'l Bur., Jan. 13, 2010) ("ATC Order")*.

² The Commission has consented to an involuntary assignment of the FCC authorizations held by TerreStar Networks Inc. to TerreStar Networks Inc., debtor-in-possession. See Public Notice, Report No. SES-01296 (Nov. 17, 2010).

secured and stored. Mechanically speaking this deployable assembly is virtually 100% integrated. The Hawaii and Puerto Rico feed arrays have completed mechanical assembly. The main feed array is partially integrated. Overall, construction of TerreStar-2 has progressed in keeping with TerreStar's obligations and commitments with respect to its Commission authorizations.

The contract with Space Systems/Loral for construction of TerreStar-2 is subject to TerreStar Networks reorganization and bankruptcy court supervision. TerreStar will inform the Commission once the status of the contract has been resolved. Consistent with the requirements of the ATC Order, TerreStar will not begin ATC operations until construction of TerreStar-2 has resumed and there is a contractual schedule providing for a delivery deadline no more than one year in the future.³

Please direct questions concerning this matter to the undersigned.

Sincerely,

/s/ Alexandra (Sasha) Field

Senior Vice President and
Deputy General Counsel
Law and Public Policy

cc: Bob Nelson
Karl Kensinger

³ See ATC Order, ¶ 34(c).