

REDACTED – FOR PUBLIC INSPECTION

December 2, 2009

Marlene H. Dortch
Secretary
Federal Communications Commission
455 12th Street, SW
Washington, DC 20554

**Re: Response of SkyTerra Subsidiary LLC to Bureau Requests in IB Docket No. 08-184
FCC File Nos.: ITC-T/C-20080822-00397, SAT-T/C-20080822-00157, SES-
T/C20080822-01089, SES-T/C-20080822-01088, 0003540644, 0021-EX-TU-2008**

Dear Ms. Dortch:

Attached is SkyTerra's Response to data requests received on November 18 in a letter from Deputy Bureau Chief Roderick Porter to Gary M. Epstein, SkyTerra's Executive Vice President of Law & Regulation (the "November 18 Letter").

The information provided herein demonstrates the public interest benefit of permitting the requested, and unopposed, transfer of control of SkyTerra to Harbinger Capital Partners ("Harbinger"). SkyTerra has been, and continues to be, a pioneer in the provision of Mobile Satellite Service ("MSS") in North America and today provides valuable service to several hundred thousand users. But its current-generation satellites were launched in 1995 and 1996. They are now past their designed end-of-life and are not suitable for use in SkyTerra's next generation system. To obtain new, powerful satellites that will fundamentally improve the value and affordability of its service, and bring tremendous spectrum efficiency and economies of scale, SkyTerra led the development of hybrid satellite-terrestrial technology. Deployment of this new technology will take MSS from a niche service offered at relatively high cost that requires relatively expensive and cumbersome user devices, to an affordable, reliable mass-market wireless voice and broadband data service, available in both urban and rural areas to tens of millions of users with handsets the size, weight, and cost of today's consumer handsets.

To date, SkyTerra has made substantial progress, having successfully:

- funded the design and construction of the two most powerful and advanced communications satellites ever deployed, which are planned to launch next year;
- negotiated several international coordination agreements to reconfigure spectrum in the L-band from numerous small, narrowband slices of spectrum into more

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- than 40 MHz of larger, more efficient, contiguous blocks that are critical to the provision of 4G broadband services; and
- negotiated agreements with two major mobile chipset manufacturers to add satellite-capability into standard wireless broadband chipsets, thus making possible mass-market offerings of satellite-enabled user devices at no additional cost to the user.

More work needs to be done. Further development of this hybrid network requires substantial investment beyond the more than \$670 million already spent by SkyTerra, and the \$650 million still to be spent, to deploy its next generation satellite system. It will also require the kind of global scale necessary to sustain interest from handset manufacturers and distributors. Accordingly, to realize its vision, SkyTerra needs the investment from Harbinger that is the subject of the pending application. Harbinger's initial investment in SkyTerra was already substantial. The present transaction validates SkyTerra's belief in its technology and will allow SkyTerra to achieve the global scale it needs to be successful.

The Commission has long sought to encourage exactly this kind of investment in new technology and innovative business plans. Indeed, the Commission has asked numerous questions about this very issue in the Commission's Broadband Strategy docket.¹ Approval of the transfer of control of SkyTerra to Harbinger will show that the Commission welcomes the kind of investment in the satellite industry that is needed to meet the challenge of making broadband universal.

SkyTerra's answers also show that not only will it add significant new capabilities and products with its next generation service, but that it operates in a highly competitive environment and that SkyTerra itself will be an even more robust competitor when, with Harbinger's resources, it is able to deploy its next generation technology. Today, customers can choose from any number of voice and data services provided by a large number of network operators, distributors, and resellers. SkyTerra competes not only with other MSS providers, but also with fixed satellite services operators and terrestrial wireless operators. As SkyTerra deploys its next-generation system, including its terrestrial component, the breadth of the wireless market will be even more evident. SkyTerra's answers thus demonstrate that it is, both today and tomorrow, an

¹ See *In the Matter of Fostering Innovation and Investment in the Wireless Communications Market, A National Broadband Plan For Our Future*, Notice of Inquiry, GN Docket Nos. 09-157 and 09-51, FCC 09-66 (rel. Aug. 27, 2009); *Public Notice, Comment Sought on Spectrum for Broadband, NBP Public Notice #6*, GN Docket Nos. 09-47, 51 and 137, DA 09-2100 (rel. Sept. 23, 2009) ("*Public Notice*"); see also *Comments of SkyTerra Subsidiary LLC in Response to NBP PN #6*, GN Docket Nos. 09-47, 51 and 137 (filed Oct. 23, 2009).



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important participant, but nevertheless still only one part of a much larger market for mobile wireless services.

Pursuant to the November 18 Letter and associated Protective Order,² SkyTerra is filing this cover letter and a confidential response with your office, and providing two copies to the International Bureau -- one to Jennifer Balatan and one to Marilyn Simon.³ We are separately filing this redacted version via ECFS in IB Docket No. 08-184, and providing copies of this redacted version via e-mail to Jennifer Balatan and Marilyn Simon. SkyTerra's answers cross-reference other answers as follows. Questions in the Current Generation Services are abbreviated as CGS 1, 2, etc; Next Generation Services as NGS; Mobile Satellite Services as MSS; and Ancillary Terrestrial Component as ATC. In answering the Commission's questions, SkyTerra has taken a broad approach consistent with the scope requested in the November 18 Letter. SkyTerra has not, however, answered any questions on behalf of Harbinger given the questions sent to Harbinger by separate letter

Thank you in advance for your prompt consideration of these responses. Please contact us with any questions regarding this submission.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary M. Epstein".

Gary M. Epstein
Executive Vice President
Law & Regulation

A handwritten signature in black ink, appearing to read "Jeffrey Carlisle".
Jeffrey Carlisle
Vice President
Regulatory Affairs

Cc: Roderick Porter
Austin Schlick
Gardner Foster
Jennifer Balatan
Marilyn Simon

² See Protective Order, DA 09-2472 (November 24, 2009).

³ For the FCC's convenience, the confidential response filed with the Secretary will be on CD-ROM, and the copies provided to the International Bureau will be on paper.

Current Generation Services

1. *Description of satellite system.* Fully describe your current satellite system, including the names and number of satellites and their orbital locations, and for each satellite, its capacity and coverage. Identify the portion of the system that provides coverage of North America -- including coastal waters and airspace in and around North America -- and to the United States.

The current generation satellite system consists of two geostationary satellites -- MSAT-1 and MSAT-2. These satellites provide service to mobile terminals using frequencies in the Mobile Satellite Services ("MSS") L-band (1631.5-1660.5/1530-1559 MHz) that have been coordinated internationally with the satellites operated by other L-band MSS operators in the region. The MSAT-2 satellite is owned and operated by SkyTerra LP and the MSAT-1 satellite is owned and operated by SkyTerra Networks (Canada) Inc. ("SkyTerra Canada"), a Canadian joint venture company in which SkyTerra LP holds a minority interest and BCE Inc. holds the majority, controlling interest.

Both the MSAT-2 and MSAT-1 satellites are essentially identical in terms of their technical design and footprints, and are operated by SkyTerra LP and SkyTerra Canada, respectively, in a manner that allows for the provision of a uniform set of services. For this reason, references herein to SkyTerra's "satellites," "spectrum" and "networks," include the satellites, spectrum and networks of both SkyTerra LP and SkyTerra Canada.

The feeder-link earth stations that are operated in conjunction with these two satellites are located in Ottawa and Reston and use the following Ku band frequencies: 10.75-10.95/13.00-13.15, 13.2 to 13.25 GHz.

Table CGS 1.1 provides key additional parameters for the current generation satellites. [REDACTED]

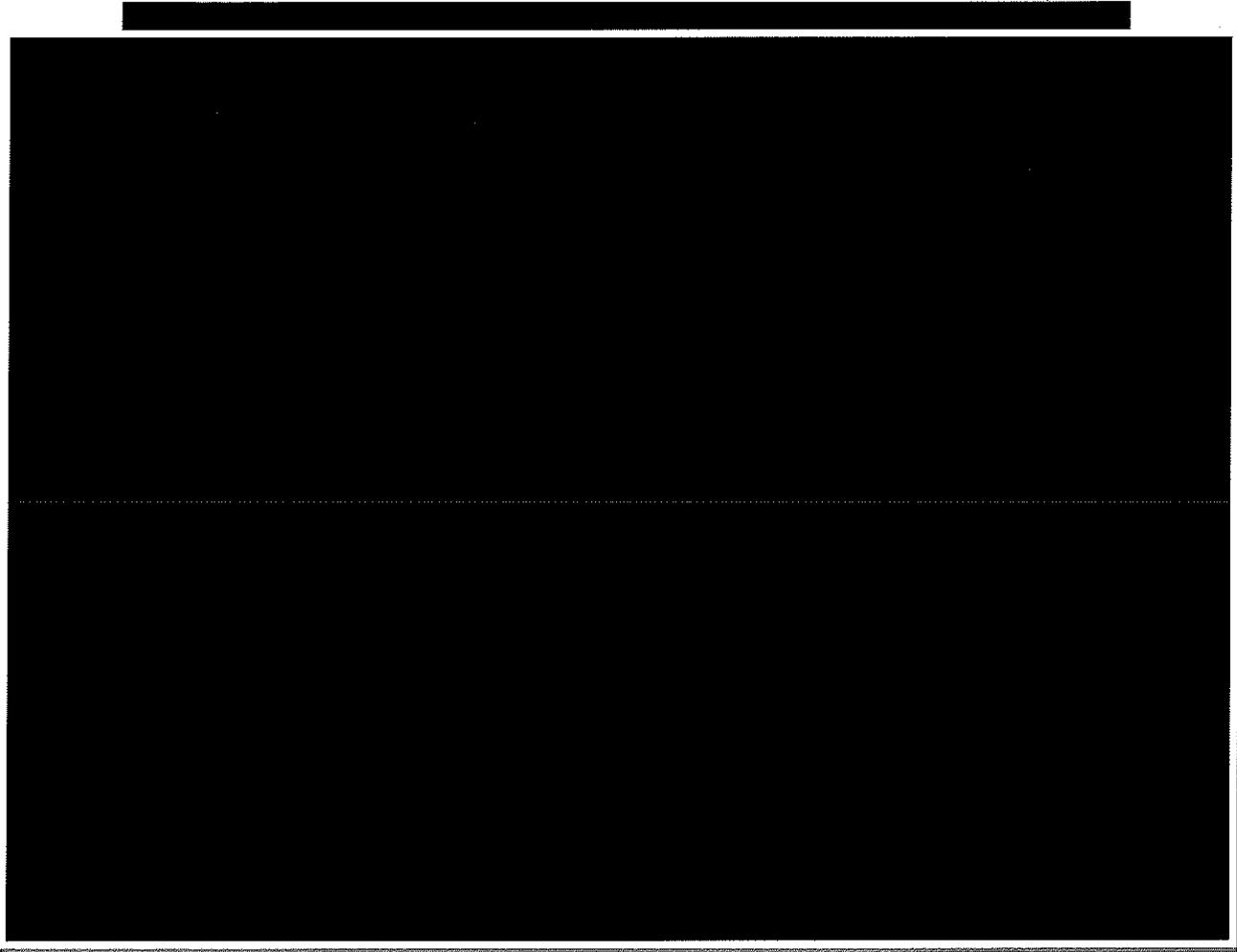
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For a description of the capacity available on the current generation satellites, see the response to Question CGS 6.

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Table CGS 1.1: Current Generation Satellites

Spacecraft Bus	Hughes 601
Mission	10 Years Nominal End-of-Life (MSAT-1 launched April 1996; MSAT-2 launched April 1995)
Orbit	MSAT-1: Entered inclined orbit on July 1, 2007 MSAT-2: Entered inclined orbit on Sept. 1, 2004
Stabilization	3-Axis
Approximate diameter of L-band Reflectors	4.5 meters
Liftoff weight (Ariane 4)	2 514 kg
Solar array power (EOL)	3.15 kW
Payload power (EOL)	2.5 KW
L-band EIRP (95% area) at launch	57.3 dBW (each satellite)
L-band EIRP (95% area) June 30, 2009	52.2 dBW (MSAT-1) 52.1 dBW (MSAT-2)
Ku-band EIRP	36 dBW
L-band G/T (95% CONUS)	+2.7 dB/K
Ku-band G/T	-3.6 dB/K
Orbit locations	101.3°W (MSAT-2) and 106.5°W (MSAT-1)



Current Generation Services

2. *Description of services.* List each service currently provided by your company, and provide a detailed description of each of the services, including, but not limited to, end user equipment employed, limitations on customer's physical mobility when using the service, latency, line-of-sight requirements, price, bandwidth, and geographic coverage.

The existing satellite system supports voice and low rate data services. SkyTerra classifies those services into three service categories:

1. **Current Generation Services ("CGS")** consists of switched voice and low data rate services to both government and enterprise customers. Such services are currently supported by MSAT-G2 Satellite Terminals made by a combination of Hughes Network Systems (transceiver unit), SpaceCom (antenna), and MSH Technologies (handset) and sold through SkyTerra's authorized distribution partner network (some customers continue to use older model G1 equipment provided by Mitsubishi or Westinghouse). SkyTerra's CGS voice and data services allow users to initiate and receive telephone calls and transmit data to and from the Public Switched Telephone Network (PSTN) as well as other satellite communications devices. The telephone calls and data transmissions are handled much like a typical cellular telephone.

2. **Mobile Data Services ("MDS")** consists of a low data rate service offering and applications such as fleet and load management, email, vehicle tracking, two-way messaging, and broadcast messaging. Such services are supported by SkyTerra's "PDT-100 Terminal" made by EMS Technologies and sold through SkyTerra's authorized distribution partner network.

3. **Power and Bandwidth to Private Network Customers ("PNC")** in which SkyTerra leases satellite power and bandwidth on a wholesale basis to resellers and service providers who are responsible for developing the end-user equipment and servicing the customer. [REDACTED]

The tables below provide a further description of each of these services.

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Table CGS 2.1: CGS

Service Description	<p>MSAT Telephony voice allows users to initiate/receive telephone calls to and from the Public Switched Telephone Network (PSTN) as well as other satellite communications devices. Telephone calls are handled much like a typical cellular device.</p> <p>MSAT Dial-up Data establishes a dedicated circuit between the sender and the receiver, the same way the PSTN operates. With access to the public telephone and data networks, SkyTerra can connect users to private networks through standard interfaces or route traffic back to another satellite terminal.</p> <p>In addition, SkyTerra provides Push-to Talk (“PTT”) services to its voice customers. Through a program called SMART, government and public sector users also have access to private talk groups that allow multiple units to communicate.</p>
End User Equipment	MSAT-G2 Satellite Terminal and, in the case of older users, Mitsubishi ST100/ST200 Series Terminals or Westinghouse Series 1000 Terminals.
Limitations on Mobility	Used in Mobile (Land Mobile, Maritime) and Fixed environments.
Latency	Less than 400 ms.
Line of Sight Requirements	An optimal link requires an unobstructed line-of-sight between the user equipment antenna and the satellite.
Service Pricing	<p>Basic Telephony and Circuit-Switched Data plan: \$1.49 per MOU on a retail basis (excluding monthly access fee) with discounts for bundled minute purchases.</p> <p>Basic Push-to-Talk plan: retail pricing of \$129 per month for unlimited usage across entire coverage footprint (\$69 per month for unlimited usage for 2 spot beams coverage). Total ARPU of roughly \$52 per month for CGS Services (including wholesale).</p>
Bandwidth	6 kHz forward and reverse links.
Data Rates	<p>Vocoder rate: 4.15 kbps</p> <p>Circuit-Switched Data: 4.8 kbps</p>
Geographic Coverage	North America, northern South America, Central America, the Caribbean and Hawaii.

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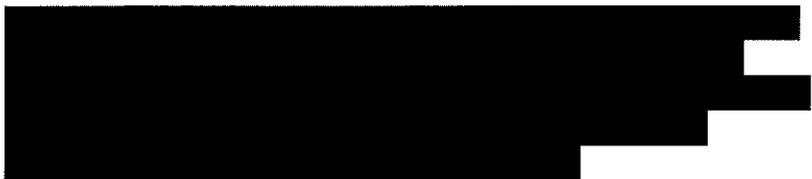
Table CGS 2.2: MDS

Service Description	Transfer of data from isolated sites or mobile assets is available using MSAT Mobile Data Service. This service supports wireless data applications such as fleet and load management, e-mail, vehicle tracking, two-way messaging, Supervisory Control and Data Acquisition (SCADA) and broadcast messaging.
End User Equipment	PDT-100 Terminal manufactured by EMS technologies.
Limitations on Mobility	Used in Mobile (Land Mobile, Maritime) and Fixed environments.
Latency	Time to transmit data message is less than 4 seconds.
Line of Sight Requirements	An optimal link requires an unobstructed line-of-sight between the user equipment antenna and the satellite.
Service Pricing	Basic Packet Data plan: \$0.60 per kb on a wholesale basis with discounts for volume purchases. Total ARPU of roughly \$19/month for Mobile Data Services.
Bandwidth	6 kHz forward and reverse links.
Data Rates	Downlink: 1500 bps Uplink: 800 bps
Geographic Coverage	North America, northern South America, Central America, the Caribbean and Hawaii.

Table CGS 2.3: Power & Bandwidth for PNCs

Service Description	SkyTerra leases satellite power and bandwidth to wireless communications companies who endeavor to build their own satellite network infrastructure and user devices which they sell through their own distribution channels to end users.
End User Equipment	Proprietary equipment and specifications developed by PNCs.
Limitations on Mobility	Proprietary equipment and specifications developed by PNCs.
Latency	Proprietary equipment and specifications developed by PNCs.
Line of Sight Requirements	Proprietary equipment and specifications developed by PNCs.

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Service Pricing	
Bandwidth	Proprietary equipment and specifications developed by PNCs.
Data Rates	Proprietary equipment and specifications developed by PNCs.
Geographic Coverage	North America, northern South America, Central America, the Caribbean and Hawaii.

Current Generation Services

3. Description of customers. For each of the services listed in (2), above, describe the targeted customer base, e.g., air transport, business aviation, fishing, maritime transport, oil and gas exploration, mining, trucking, U.S. military and emergency responders.

The following lists describe the target customer base for each of SkyTerra's current generation MSS services. While these lists provide the core types of customers for each service, they are not meant to be exclusive of the large number of other customers who also choose MSS because they need ubiquitous, reliable mobile service. [REDACTED]

I. CGS

Government

- Public Safety
- Emergency Management
- Transportation
- Education
- Healthcare
- Maritime
- Military

Enterprise

- Oil and Gas
- Utilities
- Telecommunications
- Maritime (Fishing)
- Media and Entertainment
- Transportation (Trucking, Maritime, Rail)

II. MDS

- Commercial Vehicles Tracking
- Trailers, Railcars and Containers Tracking
- Fixed Asset Tracking/Monitoring, Pipeline Monitoring, Meter Reading
- Government and Public Safety Customers (Asset Tracking)
- Telemetry Applications

III. PNCs

SkyTerra's PNC customers sell LDR services to customers in the following industries:

- Asset Tracking
- Telemetry Applications
- Fleet Management
- Vehicle Tracking

Table CGS 4.3: CGS Service Provider Customers

Customer Name	Number of Units	Revenue - 2008	Revenue – 1 st Half 2009
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table CGS 4.4: MDS Customers

Customer Name	Number of Units	Revenue – 2008	Revenue – 1 st Half 2009
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table CGS 4.5: PNC Customers

Customer Name	Approx. Number of Units ⁽¹⁾	Revenue - 2008	Revenue – 1 st Half 2009
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

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Current Generation Services

5. *Sales.* For each of the services listed in (2), above, for (a) world; (b) North America; and (c) United States: State the annual total sales in units of service and dollars for 2008. For each of the services listed in (2), above for (a) world; (b) North America; and (c) United States: State total sales in units of service and dollars for the first half of 2009.

The tables below highlight the total sales and units for 2008 and the first half of 2009. The figures for Global are from the company's complete service area; the figures for North America are from service in Canada, the United States, and Mexico. [REDACTED]

[REDACTED]

Table CGS 5.1: CGS Sales

Business Segments	Units 2008	Net Growth	Revenue 2008	Units 2009	Net Growth 2009	Revenue – 1 st Half 2009
Global ⁽¹⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
North America	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
US	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(1) "Global" in this table means North America plus those countries in Central America, Northern South America and the Caribbean within the coverage area of MSAT-1 and MSAT-2, as shown in Exhibit CGS 1.1. SkyTerra does not derive revenues from other parts of the world.

Table CGS 5.2: MDS Sales

Business Segments	Units 2008	Net Growth	Revenue 2008	Units 2009	Net Growth 2009	Revenue – 1 st Half 2009
Global ⁽¹⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
North America	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
US	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(1) See note, Table CGS 5.1.

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For the following categories of revenues, the information is available only in a format that aggregates the entire coverage area.

Table CGS 5.3: Other Sales

Business Segments	Approx. Number of Units ⁽¹⁾	Revenue – 2008	Revenue – 1st Half 2009
Power and Bandwidth Services	██████	██████	██████
Equipment Sales	██	██████	██████
Service Bureau and Monitoring	██	██████	██████
Other (licensing fees, 911 and interconnect)	██	██████	██████

⁽¹⁾Note: SkyTerra does not have access to the number of units in service on the private networks operated by its PNC customers. This number is an estimate based on conversations with SkyTerra's PNC customers.

Current Generation Services

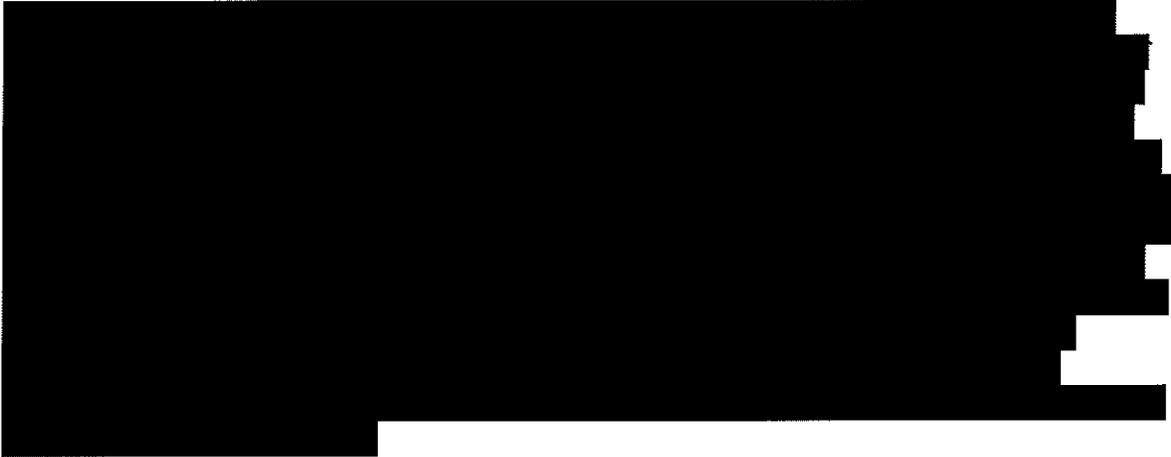
7. *Competitors.* For each of the services listed in (2), above, identify the entities that currently compete with your company in the provision of each service. Provide a description of each competitive service provided by the identified entities, including, but not limited to, equipment, mobility, price, bandwidth, and geographic coverage.

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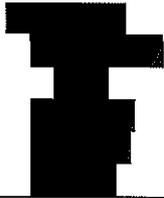
Table CGS 7.1: North American MSS Voice, Circuit-Switched Data (CSD), and High-Speed Packet Data

Satellite Provider	Approx. Units ⁽¹⁾	2008 N.A. Rev (MM) ⁽¹⁾	Competitive Strategy / Product	Pricing ⁽²⁾	Mobility	Bandwidth / Data Rates	Coverage
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Satellite Provider	Approx. Units ⁽¹⁾	2008 N.A. Rev (MM) ⁽¹⁾	Competitive Strategy / Product	Pricing ⁽²⁾	Mobility	Bandwidth / Data Rates	Coverage
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Satellite Provider	Approx. Units ⁽¹⁾	2008 N.A. Rev (MM) ⁽¹⁾	Competitive Strategy / Product	Pricing ⁽²⁾	Mobility	Bandwidth / Data Rates	Coverage
							




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Satellite Provider	Approx. Units (1)	2008 N.A. Rev (MM)(1)	Competitive Strategy/ Product	Pricing (2)	Mobility	Bandwidth / Data Rates	Coverage
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Current Generation Services

8. *Potential competitors.* For each of the services listed in (2), above, identify the entities that you anticipate will compete with your company in the next five years, in the provision of each service listed above, and describe the services that you anticipate each competitor will provide.

[REDACTED]

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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

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Next Generation Services

1. *Description of satellite system.* Fully describe your company's next generation system, including anticipated satellite launch date, anticipated date of commercial availability, service area, and orbital location(s).

The next generation space segment will consist of two geostationary satellites -- SkyTerra-1 and SkyTerra-2 -- that will provide service to mobile terminals using L-band service links (1626.5-1660.5/1525-1559 MHz) coordinated internationally and Ku band (10.7-10.95/11.2-11.45, 12.75-13.25 GHz) feeder-links. The SkyTerra-1 satellite will be owned and operated by SkyTerra LP and the SkyTerra-2 satellite will be owned and operated by SkyTerra Canada. The communications link can be established with margin by using a single satellite. The second satellite acts as an in-orbit spare and provides diversity combining of the user signals on the return path to achieve additional gain. Four Ku band satellite gateways, equipped with Ground-Based Beam-Forming ("GBBF") capability, serve as communications nodes to the terrestrial network.

Like the current generation satellites, both the SkyTerra-1 and SkyTerra-2 satellites will be operated in a manner that allows for the provision of a uniform set of services. For this reason, references herein to SkyTerra's "next generation satellites" and "spectrum" include the satellites and spectrum of both SkyTerra LP and SkyTerra Canada.

Table NGS 1.1 provides key additional parameters for the next generation satellites. The coverage of the satellite system is described more fully in response to Question NGS 2.

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Table NGS 1.1: Next Generation Satellites

Spacecraft Bus	Boeing 702, GEM
Satellite Life	15 Years Nominal End-of-Life
Stabilization	3-Axis
Available DC Power	12 kW End of Life (approximately)
Eclipse Capability	100%
Approximate deployed Length	45 meters
Approximate diameter of L-band Reflector	22 meters
Spacecraft Dry Mass	3540 kg
Total Mass at Lift-off	5725 Kg with propellant
L-band Aggregate EIRP – 100% Primary Service area (PSA)	79.3 dBW (BOL); 78.4 dBW (EOL)
L-band G/T – Primary Service area (PSA)	21.0 dB/K (95%) and 18 dB/K (100%)
Ku-Band EIRP	51.5 dBW (Each polarization)
Ku-band G/T	11.5 dB/K
Orbital Locations	101.3 and 107.3 degrees W.L.
Feeder link earth stations	Dallas, Napa, Saskatoon, and Ottawa

Anticipated Launch Dates: August 2010 - October, 2010 (SkyTerra-1)¹
December 2010 - March 2011 (SkyTerra-2)

Anticipated date of commercial availability: [REDACTED], SkyTerra will initially offer emulation of current generation services from the new satellites. The anticipated date emulation will be available is [REDACTED] for SkyTerra-1, and [REDACTED] for SkyTerra-2. The date of commercial availability for next generation services from the new satellites will be sometime after these dates. An actual in-service date for next generation service depends on financing (as anticipated by this transaction) to allow SkyTerra to complete planning and development.

¹ SkyTerra has publicly announced that this is the current anticipated launch date for SkyTerra-1. As these dates would occur after SkyTerra's current launch milestone with the Commission, SkyTerra plans to file for a short extension to allow this brief delay.

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[Redacted]

[Redacted]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Commercial Availability

Emulation of current services will be available on the dates set forth in response to Question NGS 1. Commercial availability of next generation services depends entirely on the availability of financing to complete planning, development and deployment.

Next Generation Services

3. *Available Capacity.* Describe the total planned system capacity and the anticipated allocation of capacity for each service listed in (2), above.

The capacity of the next generation satellite system is a function of the mix of services deployed, their characteristics, actual demand, and the available power and spectrum [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] In any case, the satellite system's available capacity will be significantly greater than that of the current-generation system.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Next Generation Services

4. Competition in next generation service. For each of your company's next generation services described in (2), above:

- (a) Identify the entities that you anticipate may compete with your company, and describe the services that you anticipate they will provide in competition with each of your next generation services;

[REDACTED]

- (b) Describe the characteristics that customers would consider most important in considering whether to choose between your new service and competing services;

SkyTerra believes that its next generation services will be competitive with the services offered by terrestrial wireless providers. SkyTerra expects that the data throughput capabilities of its planned integrated satellite/ATC network, along with the lower cost devices and more attractive form factor (compared to current satellite devices), will make its next generation services attractive to current customers of terrestrial wireless services. A more consumer-friendly device form factor, along with the higher-throughput data services available from the significantly increased capacity of SkyTerra's next generation satellite system, will allow SkyTerra's next generation MSS services to stand-out from MSS providers using old technology. Additionally, SkyTerra anticipates that the significant increase in satellite capacity in its next generation system will drive down the service rates of MSS services and make SkyTerra's next generation services more attractive to customers of traditional MSS services.

- (c) Identify your own current services from which customers may migrate;

Although the services of SkyTerra's next generation network will be delivered over a more modern and efficient network infrastructure, SkyTerra will still provide voice, data and dispatch services as it does today on its current generation network. SkyTerra expects customers to migrate from existing versions of these services to similar services on its next generation network.

- (d) Identify other telecommunications providers' service from which you anticipate your acquired customers will switch;**

[REDACTED]

- (e) Describe the advantage that your next generation service is expected to provide to customers in (c) and (d). Explain whether you anticipate acquiring customers that are not currently being served by other telecommunications carriers, and if so, describe such customers;**

SkyTerra believes that the high cost and large form factor of traditional mobile satellite devices has deterred some potential mobile satellite customers from purchasing services. SkyTerra believes that a less expensive and smaller device will encourage customers to become first time purchasers of satellite service or switch service from its competitors. While some target customers are served by the terrestrial wireless community today, lower price points for MSS services and integrated devices that are MSS-capable will likely expand the market for addressable MSS subscribers and create new MSS market opportunities (e.g., consumer telematics). In addition, if it attracts sufficient investment, SkyTerra intends to offer satellite services integrated with a terrestrial offering using either SkyTerra's own terrestrial network or that of an existing terrestrial wireless network with which SkyTerra partners. SkyTerra believes that this will provide a new service capability to users of terrestrial networks who historically have not used satellite services. For these users, satellite services will in effect be offered as an application on a terrestrial device.

[REDACTED]

- (f) To the extent that you anticipate customers of your next generation services switching from any existing service, describe the costs that customers of your next generation service would incur in switching from their current service, including, but not limited to, equipment replacement costs, installation costs, transition costs, and early termination fees.**

[REDACTED]

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[REDACTED]

Next Generation Services

5. Fully describe your company's sunk investment in its next generation satellite system. The term "sunk investment" refers to the acquisition costs of tangible and intangible assets necessary for the production and sale of these services that cannot be recovered through the redeployment of these assets for other uses.

[Redacted]

Mobile Satellite Services

1. Submit documents sufficient to describe your company's historic and future plans for investment in the mobile satellite service industry.

Please see the attached documents listed below:

[REDACTED]

[REDACTED]

2. Submit any studies on which you relied in formulating your investment strategy in the mobile satellite services industry.

Please see the attached documents listed below:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ancillary Terrestrial Component

1. Fully describe any principal plan that you may have for utilizing the ancillary terrestrial component (ATC). The description should include, but not be limited to, the planned geographic coverage (specifying, by census area and population, ATC vs. satellite only); the spectrum blocks used and from whom and under what terms the spectrum blocks are obtained; the timing of terrestrial network build-out (including expected census areas and population covered at different times); date of commercial availability by census area; potential customer segments and pricing plans, and projected levels of customer utilization of the terrestrial and satellite components of the plans; and a detailed description of the services that will be offered. Submit all documents relating to your principal plan, including cost studies, marketing studies and studies of projected utilization.

[Redacted]

[Redacted]

[Redacted]

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Ancillary Terrestrial Component

2. Fully describe any plans other than identified in your response to (1), above, that you have for utilizing the ancillary terrestrial component (ATC). The description should include, but not be limited to the planned geographic coverage (specifying, by census area and population, ATC vs. satellite only); the spectrum blocks used and from whom and under what terms the spectrum blocks are obtained, the timing of terrestrial network build-out (including expected census areas and population covered at different times); date of commercial availability by census area; potential customer segments and pricing plans, and projected levels of customer utilization of the terrestrial and satellite components of the plans; and a detailed description of the services that will be offered. Submit all documents relating to these plans, including cost studies, marketing studies and studies of projected utilization.

[REDACTED]

Ancillary Terrestrial Component

4. For each of the services that you plan to offer in connection with MSS/ATC, identify entities that are, or you believe are, planning to provide terrestrial and/or satellite services that might compete with your planned services.

[REDACTED]

Ancillary Terrestrial Component

5. For each of the terrestrial services to be offered in connection with ATC, identify in detail each geographic area:

- (a) where your company plans to offer service and where at least one terrestrial CMRS carrier already exists; and for each such area, identify each terrestrial CMRS carrier.
- (b) where your company plans to offer service and where there is currently no terrestrial CMRS carrier.

SkyTerra currently intends for its ATC operations to be delivered on a “nationwide” basis, consistent with those offerings provided by the existing national CMRS operators. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ancillary Terrestrial Component

6. *ATC Contracts.* List and fully describe each contract that has been entered into in order to develop handset chipsets, handsets, or to develop or to launch satellites, for use in connection with ATC. In particular, describe the expected delivery dates for trial and mass market models of the handset chipsets and handsets and the expected performance of the equipment (e.g., with respect to line of sight, handover between ATC and satellite services).

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted text block]

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[REDACTED]

[Redacted]

[Redacted]

Ancillary Terrestrial Component

7. *ATC Contracts.* List and fully describe each contract with a current or anticipated future FCC licensee involving sale or use of your company's ATC-eligible spectrum.

SkyTerra has not entered into any such contracts.

Ancillary Terrestrial Component

8. *ATC Discussions.* List and fully describe any discussions that any SkyTerra director, officer, shareholder, member, or employee supervised by any such director, officer, shareholder, or member has had with another company's director, officer, shareholder, member, or employee supervised by any such director, officer, shareholder, or member relating to satellite production, satellite launches, handset chipset development, handset development, or terrestrial network infrastructure to be used in connection with ATC.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Ancillary Terrestrial Component

9. *ATC Discussions.* List and fully describe any discussions that any SkyTerra director, officer, shareholder, member, or employee supervised by any such director, officer, shareholder, or member has had with another company's director, officer, shareholder, member, or employee supervised by any such director, officer, shareholder, or member relating to partnerships, joint ventures or cooperative ventures that involve or potentially involve ATC or services to be used in connection with ATC.

[REDACTED]

Ancillary Terrestrial Component

10. *ATC Plans.* Identify and fully describe any plans for developing handset chipsets, handsets, or developing or launching satellites, for use in connection with ATC.

[REDACTED]

Ancillary Terrestrial Component

11. *ATC Plans.* Identify and fully describe any plans relating to partnerships, joint ventures or cooperative ventures that involve or potentially involve ATC or services to be used in connection with ATC.

As SkyTerra has not yet concluded any partnerships, joint ventures or cooperative ventures that involve, or potentially involve, ATC, or services to be used in connection with ATC, no such plans exist.

Additional Documents

Please provide copies of the following documents:

[REDACTED]

[REDACTED]

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SkyTerra Document Production

SkyTerra 0000536-00001982

REDACTED