

Exhibit C

Application Description

Pursuant to Section 25.117(c) of the Commission's rules, 47 C.F.R. § 25.117(c), LightSquared Subsidiary LLC ("LightSquared"), formerly SkyTerra Subsidiary LLC, the licensee of SkyTerra 1, a Mobile Satellite Service ("MSS") satellite, hereby amends its pending waiver request¹ and seeks a further three-month extension, up to and including January 31, 2010, to meet its "launch and begin operations" milestone.² The spacecraft manufacturer, Boeing Satellite Systems, Inc. ("Boeing"), recently informed LightSquared of a manufacturing issue with the satellite reaction wheel assemblies ("RWAs"), which will result in a delay in the delivery of the satellite. This delay also will require LightSquared to reschedule its launch window. Extending the milestone deadline will allow LightSquared to deliver the significant public interest benefits of a next-generation MSS system. Once deployed, LightSquared'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, stimulate job creation; all of which are consistent with key FCC and United States priorities. The International Bureau ("Bureau") has granted milestone extensions under similar circumstances, and it should do so here.

¹ LightSquared previously requested an extension of its May 26, 2010 launch and begin operations milestone until October 31, 2010, as a result of manufacturing delays beyond LightSquared's control. *See* Application, File No. SAT-MOD-20100405-00064 ("Extension Application"). LightSquared does not in this application modify the basis for that extension. Similarly, this application does not change LightSquared's request for waiver of the orbital debris mitigation rules, which remains pending. *Id.* at 9-12.

² To allow for the possibility of minor scheduling delays and because LightSquared does not control the launch manifest, LightSquared requests an extension of the milestone until January 31, 2011, rather than a date closer to the November 2010 launch window, to provide some flexibility in the launch date.

In June 2010, Boeing notified LightSquared that there was a manufacturing issue with the four RWAs on the SkyTerra 1 satellite.³ A contaminant was found in the grease used for the bearings in each of the four RWAs on the satellite.⁴ Boeing informed LightSquared, several days before the mid-July spacecraft shipment date, that the delivery would be delayed in order to address the manufacturing issue. Because the presence of the contaminant may increase the probability of failure in the RWAs and compromise the satellite mission life, the parties agreed to rework the RWAs.

As part of this rework process, the RWAs will need to be disassembled and then reassembled, and the bearings replaced. The RWAs will be subjected to retesting. Boeing estimates that this process will take several months, and the SkyTerra 1 satellite will be delivered in October 2010. Accordingly, LightSquared has rescheduled with International Launch Services, Inc. (“ILS”) the launch of the spacecraft for November 2010.⁵ Attached to this application is a letter by ILS affirming the November launch date. *See* attached Attachment A.

But for the rework of the RWAs, construction of SkyTerra 1 is 100% complete. As previously stated, all components and subsystems have been completed and integrated on the SkyTerra 1 satellite, and the satellite has successfully completed all major test milestones, including Final Integrated System Testing (“FIST”).⁶ LightSquared has paid

³ RWAs are used for attitude control of a satellite and are designed to operate continuously for the entire fifteen-year satellite design life.

⁴ LightSquared understands that the presence of the contaminant in the RWAs is not unique to its satellite program, and other spacecraft programs have been affected.

⁵ As explained above, to allow for the possibility of minor scheduling delays and because LightSquared does not control the launch manifest, LightSquared requests an extension of the milestone until January 31, 2011 to provide some flexibility in the launch date.

⁶ *See* Extension Application, at 3-4.

approximately 90% of the contract price for the satellite and nearly 100% of the contract price for launch services,⁷ and both contracts are in full force and effect.

Bureau precedent unambiguously supports grant of the milestone extension requested here.⁸ 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.⁹ 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.¹⁰

For example, in *New ICO Satellite Services G.P.*, the Bureau granted 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.¹¹ 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

⁷ As a result of the launch services postponement, LightSquared must pay ILS a fee due in October 2010. That fee does not materially change the percentage paid under the contract.

⁸ See, e.g., *WB Holdings I 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).

⁹ 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).

¹⁰ 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).

¹¹ *In the Matter of New ICO Satellite Services, G.P.*, 22 FCC Rcd 2229 (Int'l Bur. 2007).

over 85% of the satellite construction and paid approximately 93% of its total satellite contract price and 75% of its total launch costs.¹²

In *TerreStar Networks, Inc.*, the Bureau concluded that there were overriding public interest considerations warranting a 10-month launch milestone extension.¹³ According to the Bureau, the licensee had demonstrated a substantial and continuing commitment to construction and system implementation.¹⁴ 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.”¹⁵

In *Intelsat LLC*, the Bureau granted a six-month construction completion and an eight-month launch milestone extension request.¹⁶ 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.

¹² *Id.*

¹³ *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.

¹⁴ 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.

¹⁵ *Id.* at ¶ 10.

¹⁶ *Intelsat LLC*, 19 FCC Rcd 5266 (Int’l Bur. 2004).

As explained above, the delay in the delivery of SkyTerra 1 is beyond LightSquared's control. A manufacturing issue resulted in the presence of a contaminant in the bearings of the RWAs. Rework of the RWAs to remove and replace the contaminated bearings will take several months, resulting in spacecraft delivery in October and a launch date in November 2010.

Moreover, LightSquared has demonstrated a substantial and continuing commitment to satellite construction and system implementation.¹⁷ But for the work associated with the rework of the RWAs, the spacecraft is fully constructed. LightSquared has paid approximately 90% of the satellite contract price. The spacecraft is expected to launch in November 2010, and LightSquared has paid 100% of the launch contract price.

Additionally, there are unique and overriding public interest reasons for granting the milestone extension request. LightSquared and Boeing have labored for over four years to complete construction of a state-of-the-art next-generation MSS satellite and its associated satellite-based network system, and soon the satellite will be ready for launch. Many of the benefits the new system has to offer, including extending rural broadband access,¹⁸ providing reliable public safety communications,¹⁹ increasing wireless

¹⁷ See also Extension Application, at 3-4 (describing the significant progress made on other elements of the next-generation system, including work on chipsets and construction of the gateway earth stations).

¹⁸ 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

competition²⁰ and spectrum efficiency,²¹ expanding United States technology leadership and stimulating job creation,²² are fully consistent with key FCC and United States priorities. Accordingly, the Bureau should grant LightSquared's request for further extension of its launch and begin operations milestone.²³

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 August 5, 2010).

- ¹⁹ 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).
- ²⁰ 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).
- ²¹ 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).
- ²² 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-20090429-00047, SAT-MOD-20090429-00046 (April 29, 2009) (indicating that LightSquared’s next-generation system will have an important positive impact on the creation of high-paying American jobs).
- ²³ In the event that the Commission finds that LightSquared has not satisfied the standard for a milestone extension, LightSquared 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. LightSquared could neither foresee nor control the manufacturing issue

Technical Certification

I, Jeff Snyder, Senior Vice President, Satellite Engineering and Operations for LightSquared GP Inc., 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: September 8, 2010

resulting in contamination of the RWAs, 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).

Attachment A

Letter from ILS



ILSB-1009-4733
08 September 2010

Mr. Michael S. Cannice
Director, Contracts
LightSquared
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 LightSquared (formerly known as SkyTerra LP), dated 11 May 2007, as amended (the "Contract")

Dear Mr. Cannice:

In support of LightSquared's FCC milestone extension request, International Launch Services, Inc. ("ILS") confirms that LightSquared's Launch for MSV-1 has been rescheduled to November of 2010, consistent with terms of the reference a) Contract between LightSquared and ILS. ILS also confirms that LightSquared has paid 100% of the Launch Service Payments for MSV-1, with the exception of a fee due in October 2010 resulting from the Launch Service postponement. ILS confirms that the reference a) Contract between LightSquared and ILS 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,

A handwritten signature in black ink that reads "Erin A. Weber".

Erin A. Weber
Contracts Administrator

ILS Proprietary Information

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