



LightSquared Update for AFC

AFC Spring 2015 Meeting

16-17 June 2015

CONFIDENTIAL - AFC Membership Only

1

Scope

- LightSquared Background
- GPS Interference Issues
- Legal issues
- Future

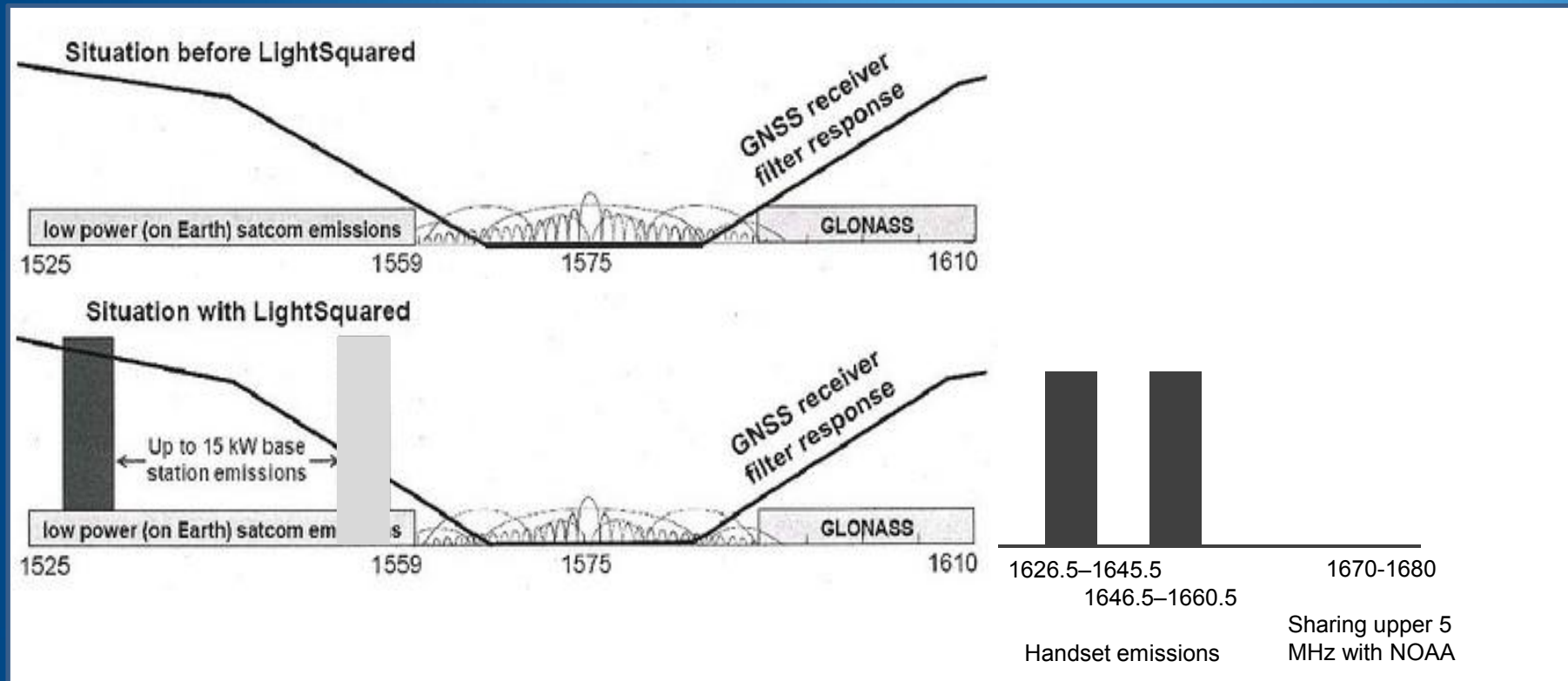
The LightSquared Saga



- Originally a mobile satellite business
 - 1525-1535 & 1539-1559 MHz downlink band
 - 1626.5-1645.5 & 1646.5-1660.5 MHz uplink bands
- Approved in 2001 for Ancillary Terrestrial Component (ATC)
 - Limited Base Stations (BS) for areas of limited coverage
- Expanded request in 2010 for standalone ATC network
 - National terrestrial coverage
 - FCC Issued initial waiver to begin build out of network



The GPS Problem



- 1549-1559 MHz downlink overloads GPS receiver OOB
 - Residual power also detected inside the GPS band
 - 1525-1535 MHz also impacting receiver

The Legal Chapter



- LightSquared struggling after FCC delays
 - Went into bankruptcy on \$1.7bn of debt
 - Power struggle between shareholders
 - Legal case between Harbinger, existing shareholders, and Ergen
- Harbinger' legal action
 - Sueing GPS IC for \$1.9bn
 - Judge rejected most claims on 5 Feb 2015, but still left open negligent misrepresentation and constructive fraud
 - Also suing US government for FCC actions
 - FCC did not live up to their part of the agreement

Excuse me. You're in my space.

For years, GPS commercial device manufacturers have been squatting on LightSquared's spectrum.



They're causing the problem.

Since 2003, FCC rules have allowed LightSquared to use this spectrum for a ground network, and we're in full compliance with our license obligations. GPS commercial device manufacturers have no right to be there. The fact is, they created the problem by encroaching on us.

They've ignored government standards for eight years.

To save a few cents, GPS commercial device manufacturers have made devices that receive signals not only in the GPS part of the spectrum, but also in ours. The Department of Defense, which runs the GPS network, has told GPS commercial device manufacturers that they can't expect full performance from receivers that are designed this way. Why did the GPS commercial device manufacturers ignore this?

They're taking advantage of an \$18 billion dollar subsidy.

GPS commercial device manufacturers benefit from an estimated \$18 billion taxpayer subsidy by offering a commercial service that is completely dependent on the government's satellite system.

It's time to put GPS commercial device manufacturers in their place. And out of the way of the network that will bring broadband to all Americans.

Learn more at www.LightSquared.com/gpsfacts

LightSquared today



- New deployment still not proven to be compatible
 - FAA and NPEF reports found interference
 - Questions over proposed mitigation and handsets
- LightSquared still very much active
 - Continuing to push for waiver and fight creditors
 - ‘making significant regulatory progress’
- Comments period ended on NPRM
 - ASRI, Lockheed, US GPS IC, Garmin and Trimble filed
 - Build out conditions on license have been deferred
 - Mixed reports on FCC outcome

The Phoenix?



- Bankruptcy plan approved March 2015
 - Conditions set for 31 Dec 2015
 - Removing previous limitation on sale of spectrum
- Harbinger giving up control
 - New owners include JPMorgan Chase & Co., Fortress Investment Group LLC, & Centerbridge Partners LP
 - \$1.7bn cash injection
- LS now lobbying heavily
 - Regulatory and engineering spending spree
 - Attempting to overturn 1dB I/N protection criteria
 - Wants a harm claim threshold instead

The fallout



- FCC TAC harm claim thresholds
- DOT GPS adjacent band compatibility assessment
 - Provide a framework to define the processes and assumptions for development of GPS spectrum protection criteria on behalf of GPS civil users.
 - Deriving adjacent-band power limits
- More LS lobbying expected
 - Expected that ASRI will need to file
 - If LS not successful by end of year, bigger corporation may buy the spectrum

Way Forward for AFC



- Monitoring new LightSquared entity
- Be prepared for ASRI filings
 - Supporting filings or signatures would be appreciated



Questions?