



Section I

Beneficial Regulatory and Technical Attributes of the TerreStar 1400 MHz Band



TerreStar 1400 MHz Spectrum

Securing the Value and Negotiability of the TerreStar 1400 Asset

Transforming TSTR 1400 Into a High Value Asset

TerreStar's 1400 MHz spectrum displays physical characteristics that are uniquely well suited to bit-intensive and latency intolerant wireless applications. The band's low noise floor and advantageous urban propagation characteristics suggest that proposed 4G applications will benefit from extremely high spectral efficiencies, which meaningfully exceed those in other parts of the commercial wireless spectrum.

Implicit in the positive engineering attributes of TSTR 1400 is a very high potential for long-term value. However, a series of significant regulatory and technological obstacles stand between the minimal baseline valuations set in FCC Auction 69 and much higher general market values, such as those presently associated with 700 MHz or AWS-1. Bridging the gap between the low \$0.01 - \$0.05 per MHz-POP values currently associated with this spectrum and the baseline \$0.22 - > \$1.00 per MHz-POP valuations associated with conventional CMRS spectrum will require a series of rapid rulemaking and engineering actions.

The following slides represent a basic overview of the technical attributes and applications strategies associated with this spectrum. For expansion, please contact:

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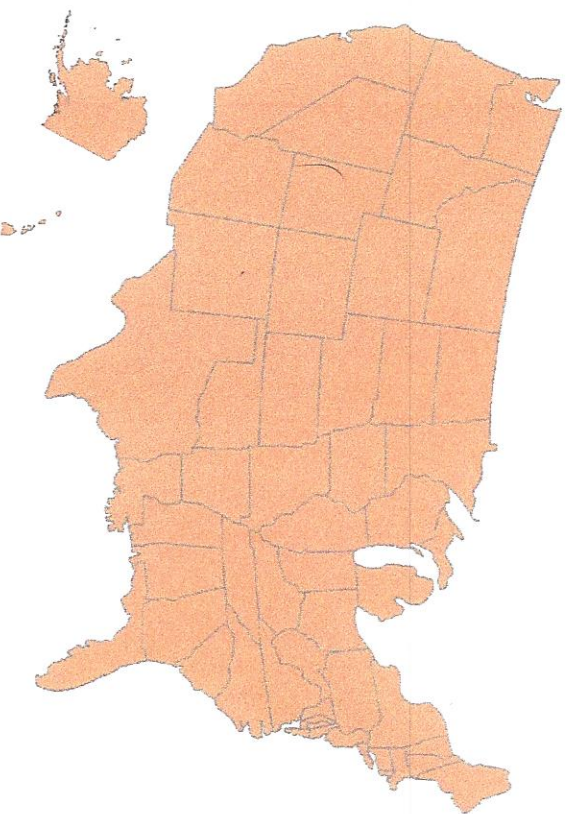
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Benefit of Effective TSTR 1400 U.S. Market Continuity

Previously offered terrestrial wireless bands have suffered from considerable and highly disadvantageous geographic fragmentation in their license holdings. In contrast, Terrestrial spectrum in the 1400 MHz band may be utilized with a single wide area authority. This distinction will likely have long-term inflationary effects on value for network operators, while opening the market for non-carrier entities that cannot acquire geographically contiguous spectrum in the conventional auction process.



12 Regional Economic Areas
176 Basic Economic Areas
734 Cellular Market Areas

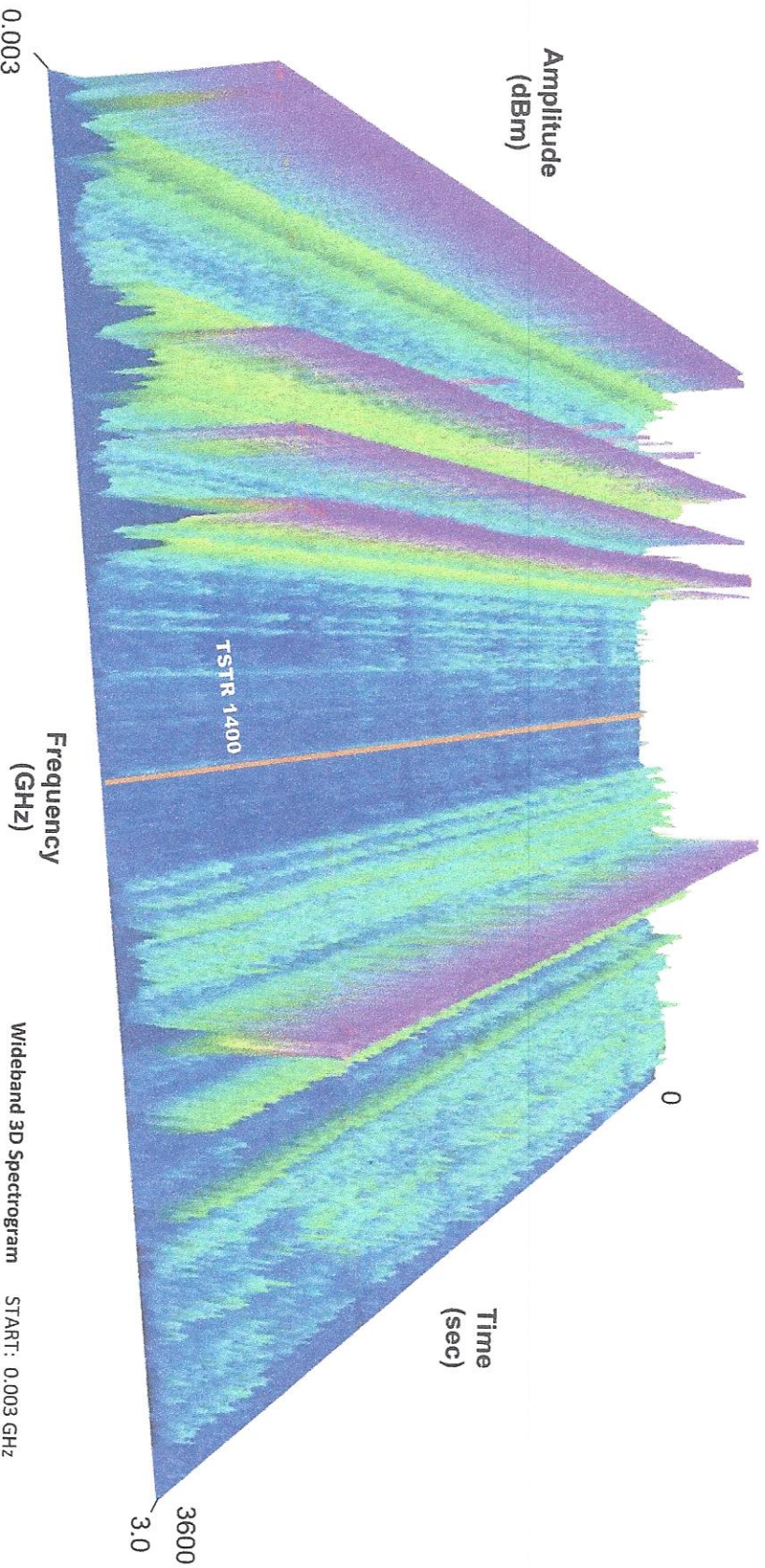


1 Nationwide License Authority

The 1400 MHz Band is a Unique Low Noise Refuge

The usable wireless spectrum spans less than 3 GHz. Of the few remaining spectrum allocations, none exhibit the extreme low noise and interference characteristics of central L-Band. Free from the GPS considerations of other L-Band license holders, the Terrestrial 1400 MHz band represents a unique spectrum resource for high density urban 4G data applications.

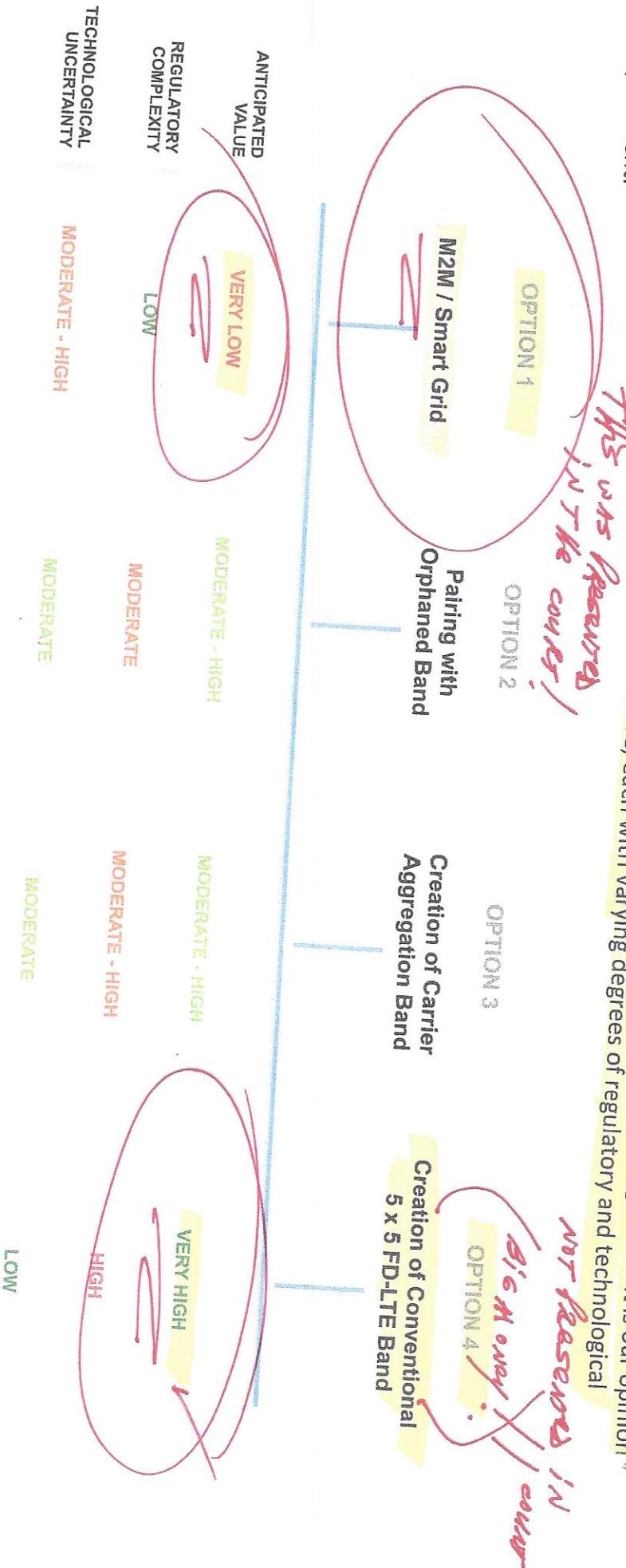
*THIS IS CRUCIAL!
NEVER INTO RESERVES TO
OFF COURSE*



Wideband 3D Spectrogram
START: 0.003 GHz
STOP: 3.0 GHz
40.75662 deg -73.97485 deg
(48" Street - Park Avenue)
Anritsu MS2721A / Broadband Helix

Value, Complexity, and Uncertainty for TSTR 1400

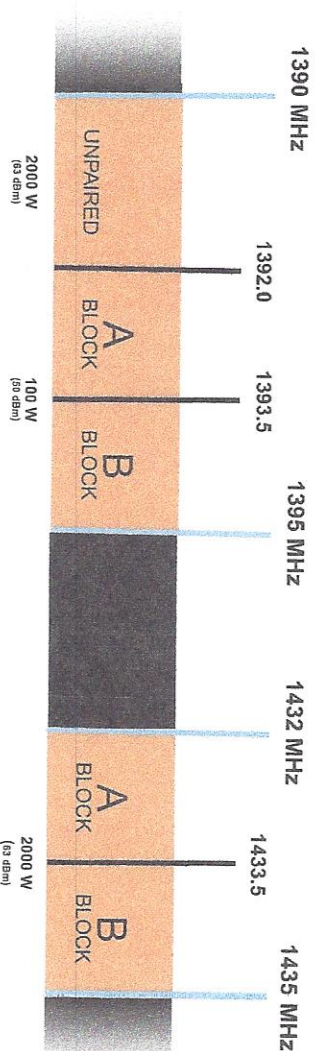
Four basic options delineate the likely range of sale / lease opportunities for TSTR 1400. Whereas M2M and related Smart Grid applications have traditionally been a focus for this band, it is clear that they are unlikely to represent recovery value for stakeholders. Repurposing TSTR 1400 for conventional commercial wireless service is the only viable means of increasing value. It is our opinion * that at least three different types of application are possible here, each with varying degrees of regulatory and technological requirement.



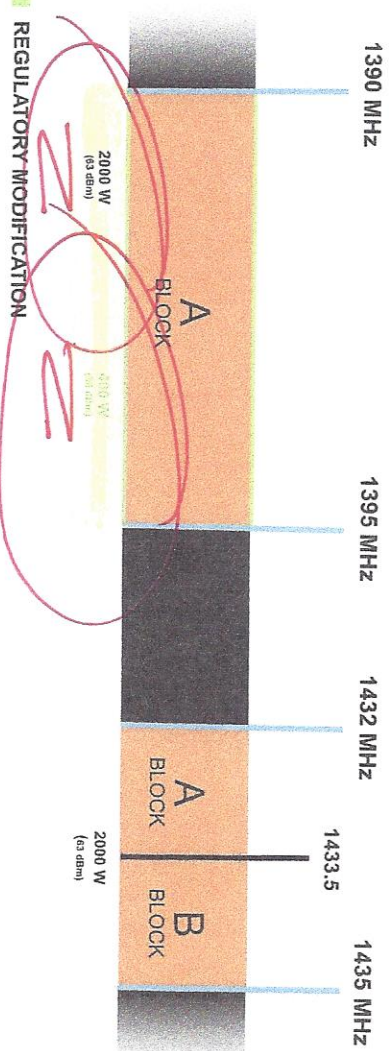
OPTION 2: Orphaned Spectrum Pairing Applications

Detailed survey work will demonstrate the superior data carrying (high bits / Hz) and propagation (high cellular reuse) characteristics of TSTR 1400. These attributes may permit the band to service as a "cross-band" pair to otherwise unpaired allocations in another part of the spectrum. Current possibilities include 700 MHz E-Block, as well as proposed 5 MHz LSQ "remedy" allocations.

ORIGINAL BAND PLAN



ORPHANED SPECTRUM PAIRING BAND PLAN



Configuration:

- (1) 5 MHz Unpaired Block
- (2) 1.5 MHz Unpaired Blocks

Engineering Potential:

- Lower band configuration matches at least two critical market opportunities for "cross-band" pairing.
- Upper band utility still problematic in the context of 4G CMRS applications.

Market Factors:

- Auction 69 rule modification (waiver) will delay market acceptance.
- Public domain discussion of exclusion zones complicates negotiation.
- 3GPP and related standards process will pace roll-out.

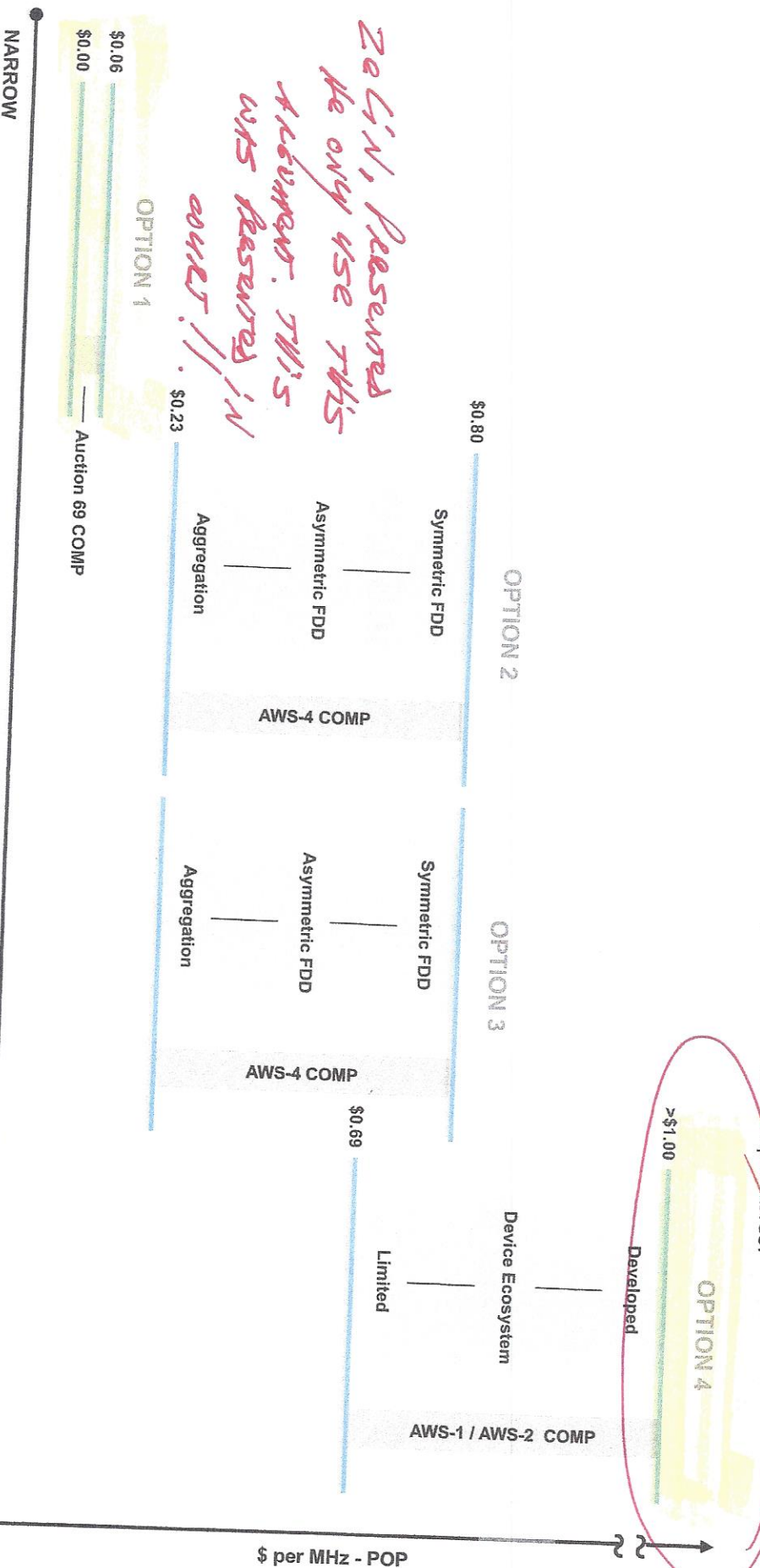
Anticipated Value Range:

AWS-4 Level Pricing (Depending on Pair)

Value Ranges Across Band Configuration Options

The current TSTR 1400 band configuration is likely incompatible with values exceeding those of Auction 69. However, modifications to the original band plan may achieve significantly higher valuations, especially as they more closely mirror conventional CMRS band configurations. These values exist as discrete plateaus with configuration dependent CMRS comparables.

This valuable option was never presented in court and they knew it!!



Regulatory and Supporting Technical Work by Band Configuration

No band configuration option is without some need for regulatory relief, and modest re-banding in support of LTE-A carrier aggregation may likely be achieved via a waiver process. However, the highest value configuration (symmetric 5x5 FDD band) will almost certainly require a complex rule-making process that accommodates the interests of adjacent band license holders.

OPTION 1 (Auction 69 Configuration)	OPTION 2 (Partial Aggregation)	OPTION 3 (Full Aggregation)	OPTION 4 (Conventional 5x5)
<p>Amendment</p> <ul style="list-style-type: none"> • Extension of build-out deadline / clarification of substantive service. 	<p>Waiver</p> <ul style="list-style-type: none"> • Combine unpaired 2 MHz with lower A + B Blocks to form 5 MHz channel • Increase EIRP of lower A + B Block segment from 100 W (50 dBm) to 400 W (56 dBm) 	<p>Waiver</p> <ul style="list-style-type: none"> • Regulatory treatment of Option 2 • Combine upper A + B Blocks to form 3 MHz channel. 	<p>Rule-Making / Re-Farming</p> <ul style="list-style-type: none"> • Regulatory treatment of Options 1 + 2 • Add 2 MHz to upper Block • Combine Block segments into paired 5x5 MHz band • Retain license geography
<p>TECHNICAL</p> <ul style="list-style-type: none"> • Technical defense of build-out constraints associated with M2M market fragmentation 	<ul style="list-style-type: none"> • OOBE / Exclusion Zone co-existence analysis in support of increased lower A + B Block EIRP • 5 MHz LTE-A Aggregation Band impact study • Aggregation device / infrastructure filtration study 	<ul style="list-style-type: none"> • OOBE / Exclusion Zone co-existence analysis in support of increased lower A + B Block EIRP • 5 MHz / 3 MHz LTE-A Aggregation Band impact study • 5x3 MHz band pair device duplexer study 	<ul style="list-style-type: none"> • 5x5 MHz paired FD-LTE Band "National Broadband" impact study • Migration plan for existing federal / commercial operators in adjacent re-farmed 2 MHz parcel.