



American Mobile

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DUPLICATE

Lon C. Levin
Vice President and
Regulatory Counsel

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March 16, 1999

VIA HAND DELIVERY

CC-87-75

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MAR 16 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Commissioner Susan Ness
Federal Communications Commission
CM-SN 8-B115H
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Dear Commissioner Ness:

Pursuant to your request, attached are excerpts from the 1993 prospectus for the Initial Public Offering of American Mobile Satellite Corporation ("AMSC"). The excerpts demonstrate that AMSC was relying on an expectation that the U.S. government would be able to coordinate access to approximately 20 MHz of L-band spectrum (10 MHz for uplinks and 10 MHz for downlinks). See Prospectus at 46, 50. Similarly, the discussion of potential revenue was based on the assumption that the system would have access to 20 MHz. *Id.* at 28, 40.

Also attached are excerpts from subsequent AMSC filings with the Securities and Exchange Commission that contain similar statements regarding AMSC's expectation of access to 20 MHz of L-band spectrum.

Please let me know if you have any further questions concerning this matter.

Very truly yours,

Lon C. Levin

- cc: Daniel Connors
- Karen Gulick
- Linda Haller
- Ari Fitzgerald
- Jennifer Gilsenan
- Fern Jarmulnek
- Paul Misener
- Susan Steiman
- Peter Tenhula
- Cassandra Thomas
- Tom Tycz

**\$335,000,000**

MAR 16 1999

U.S. Securities and Exchange Commission
Office of Secretary

American Mobile Satellite Corporation AMSC Acquisition Company, Inc.

**335,000 Units consisting of 12¼ % Senior Notes due 2008
of AMSC Acquisition Company, Inc. and
Warrants to purchase 1,258,759 shares of Common Stock
of American Mobile Satellite Corporation**

Each of the 335,000 Units (collectively, the "Units") offered hereby (the "Offering") consists of \$1,000 principal amount of 12¼% Senior Notes due 2008 (collectively, the "Notes") of AMSC Acquisition Company, Inc. a Delaware corporation (the "Company"), and one warrant (collectively, the "Warrants") to purchase 3.75749 shares (collectively, the "Warrant Shares") of Common Stock, par value \$.01 per share (the "Common Stock"), of American Mobile Satellite Corporation, a Delaware corporation and the direct parent of the Company ("Holdings," and together with the Company, the "Issuers"). The Units, the Notes, the Warrants and the Warrant Shares are referred to collectively herein as the "Securities." A portion of the net proceeds of the Offering will be used to finance the acquisition (the "Acquisition") of ARDIS Company ("ARDIS"). See "Use of Proceeds." The consummation of the Offering and the consummation of the Acquisition are conditioned upon each other. See "The Acquisition" and "Description of the Notes."

The Notes and Warrants will not be separable until the earlier of (i) 180 days from the date of issuance, (ii) such date as the Initial Purchasers (as defined herein) may, in their discretion, deem appropriate, (iii) in the event a Change of Control (as defined herein) occurs, the date the Company mails notice thereof to holders of the Notes, (iv) the commencement of the Exchange Offer (as defined herein) and (v) the effectiveness of the shelf registration statement relating to the Notes. The date on which the Notes and Warrants are separable is the "Separation Date."

The Notes will bear interest from the date of issuance at the rate of 12¼% per annum payable semi-annually in arrears on April 1 and October 1, of each year, commencing on October 1, 1998. The Notes will mature on March 31, 2008. The Company will not be required to make any mandatory sinking fund or redemption payments with respect to the Notes. The Notes will be redeemable at the option of the Company at any time on or after April 1, 2003 at the redemption prices set forth herein, plus accrued and unpaid interest and Liquidated Damages (as defined herein), if any, to the redemption date. In addition, the Company will be entitled, at any time on or before April 1, 2001, to redeem up to 35% of the aggregate principal amount of the Notes with the proceeds of any Equity Offering (as defined herein) at a redemption price equal to 112.25% of the principal amount of the Notes, plus accrued and unpaid interest and Liquidated Damages, if any, to the redemption date; provided, however, that at least \$217.8 million in aggregate principal amount of Notes initially issued remains outstanding after giving effect to such redemption. See "Description of the Notes—Optional Redemption."

(continued on next page)

See "Risk Factors" beginning on page 18 for a discussion of certain factors that should be considered in evaluating an investment in the Units.

THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE UNITS ARE BEING OFFERED AND SOLD HEREBY ONLY (A) TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A AND (B) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE UNITS MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR CERTAIN RESTRICTIONS ON REALES, SEE "PLAN OF DISTRIBUTION" AND "NOTICE TO INVESTORS."

	Price to Investors(1)	Discount to Initial Purchasers(2)	Proceeds to the Issuers(1)(3)
Per Unit	100.0%	3.0%	97.0%
Total	\$335,000,000	\$10,050,000	\$324,950,000

(1) Plus accrued interest, if any, from the date of issuance.

(2) The Company, the Subsidiary Guarantors and Holdings, jointly and severally, have agreed to indemnify the Initial Purchasers (as defined herein) against certain liabilities and to contribute to payments the Initial Purchasers may be required to make in respect thereof. See "Plan of Distribution."

(3) Before deducting expenses of the Offering, estimated at \$1,700,000, payable by the Company and Holdings.

The Units are being offered by Bear, Stearns & Co. Inc., J.P. Morgan & Co., TD Securities (USA) Inc. and BancAmerica Robertson Stephens, as the initial purchasers (the "Initial Purchasers"), subject to prior sale, when, as and if delivered to and accepted by the Initial Purchasers, and subject to certain other conditions. The Initial Purchasers reserve the right to withdraw, cancel or modify such offer and to reject any orders in whole or in part. It is expected that delivery of the Units will be made in New York, New York, on or about March 31, 1998 in book-entry form through the facilities of The Depository Trust Company.

Bear, Stearns & Co. Inc.

J.P. Morgan & Co.

TD Securities

BancAmerica Robertson Stephens

The date of this Offering Memorandum is March 26, 1998

In the Ku-band frequencies, American Mobile is currently licensed to operate MSAT-2 using 200 MHz within the bands 10.75-10.95 GHz for downlink transmissions and 13.0-13.15 GHz and 13.2-13.25 GHz for uplink transmissions. American Mobile has applied for authority to operate using an additional 200 MHz of spectrum within the same bands.

Spectrum availability, particularly in the L-band, is a function not only of how much spectrum is assigned to American Mobile by the FCC, but also the extent to which the same frequencies are used by other systems in the North American region, and the manner of such use. All spectrum use must be coordinated with other parties that are providing or plan to provide mobile satellite-based communications in the same geographical region using the same spectrum. At this time, the other parties with which spectrum use must be coordinated include Canada, Mexico, the Russian Federation and Inmarsat.

Use of the spectrum is determined through a series of negotiations between the United States government and the other user agencies, pursuant to the rules and regulations of the International Telecommunication Union ("ITU"). For the past several years, each of the countries and international organizations that have used or will use L-band frequencies within the North American region have been meeting regularly to negotiate and coordinate their current and future use of that spectrum. American Mobile estimates that international coordination will make approximately 20 MHz of L-band spectrum available to the United States for MSAT-2. Since the coordination process involves many parties and there is uncertainty about the total outcome, the actual amount of spectrum available may be more or less than that estimated. In addition, the proposed Satellite Sharing Agreement may make the coordination of spectrum for American Mobile's system more difficult. Some of the spectrum that may be available to American Mobile may include a portion of the 28 MHz lower L-band spectrum adjacent to the frequencies already assigned to American Mobile by the FCC. 

The ITU's Radio Regulations include a table of frequency allocations that prescribe the permitted uses of the radio spectrum. As a result of the ITU satellite plan for parts of the Ku-band, there also may be restrictions on American Mobile's ability to deploy feederlink earth stations in Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

During the course of the licensing process for American Mobile and several times since, the FCC has stated that there is only enough spectrum in the MSS L-band for the FCC to authorize a single MSS system to provide service in the United States. In 1995, however, Comsat applied for authority to provide MSS in the United States in the L-band over the Inmarsat satellite system. Comsat subsequently filed an application seeking a blanket authorization for the operation of 5,000 mobile terminals in the United States, as well as a request for an STA to operate 50 mobile terminals in the United States. On January 9, 1998, the FCC denied Comsat's request for an STA and required that Comsat amend its underlying applications to conform with the requirements established in the FCC's November 1997 order on market access by foreign-licensed satellite systems. This order conforms the FCC's regulations with the BTA and makes it easier for foreign satellite systems from WTO-member countries to access the United States market, while at the same time making clear that the FCC may deny access to such satellite applicants on the basis of spectrum availability, applicants' technical, legal, or financial qualifications, or foreign or domestic policy factors. The order also requires Comsat to make an appropriate waiver of immunity from any suit as part of any application to provide domestic services over Inmarsat's system. On January 12, 1998, Comsat filed an appeal of this order with the U.S. Court of Appeals for the D.C. Circuit, and American Mobile is opposing this appeal as an intervenor. On February 6, 1998, Comsat filed an application for review of the FCC's denial of its request for an STA, and a petition for waiver of the FCC's new market access rules to permit it to offer MSS on a temporary basis in the United States. American Mobile has opposed these filings.

In its January 9, 1998 denial of Comsat's STA request, the FCC stated that it would be willing to authorize Comsat to provide international service if Comsat amended its blanket license application to show that service through its terminals and Inmarsat's MSS system could be limited to international traffic. Comsat has amended its application in order to make this showing. American Mobile has opposed this application. In addition, Comsat has applied for authority under Section 214 of the Communications Act to provide satellite paging and tracking services in the United States. American Mobile has also opposed this application.

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

PROSPECTUS
DECEMBER 13, 1993

8,500,000 Shares



AMERICAN MOBILE SATELLITE CORPORATION

Common Stock

The 8,500,000 shares of Common Stock (the "Shares") are being offered (the "Offering") by American Mobile Satellite Corporation ("AMSC").

Prior to the Offering, there has been no public market for the Common Stock. See "Underwriting" for information relating to the factors considered in determining the initial public offering price for the Shares (the "Offering Price").

The Offering is being conducted concurrently with, and is conditioned upon, a private placement of \$68.5 million of Common Stock. The private placement is to be completed simultaneously with the Offering pursuant to commitments received from two of AMSC's major stockholders (together, the "Commitment").

The Common Stock has been approved for quotation on the Nasdaq National Market, under the symbol "SKYC."

See "Risk Factors" for information that should be considered by prospective investors.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to the Public	Underwriting Discounts and Commissions(1)	Proceeds to the Company(2)
Per Share	\$21.00	\$1.36	\$19.64
Total (3)(4)	\$177,619,149	\$10,609,240	\$167,009,909

(1) The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."

(2) Before deduction of expenses payable by the Company estimated at \$2,790,555.

(3) The Company has granted the Underwriters an option, exercisable within 30 days after the date hereof, to purchase up to 1,170,136 additional Shares solely to cover over-allotments, if any. If such option is exercised in full, the total Price to the Public, Underwriting Discounts and Commissions and Proceeds to the Company will be \$202,192,005, \$12,200,625 and \$189,991,380, respectively. See "Underwriting."

(4) Includes the sale of 699,088 Shares which will be purchased directly from AMSC at \$19.74 per share by certain entities and individuals, as to which there will be no underwriting discounts and commissions. See "Underwriting."

The Shares offered by the several Underwriters are being offered when, as and if delivered to and accepted by the Underwriters and subject to various prior conditions, including their right to reject orders in whole or in part. It is expected that the delivery of the Shares will be made in New York, New York on or about December 20, 1993.

Donaldson, Lufkin & Jenrette
Securities Corporation

Bear, Stearns & Co. Inc.

Salomon Brothers Inc

The Company has estimated that international coordination will make approximately 20 MHz of L-band spectrum available to the United States for the Satellite. Since the coordination process involves many parties and there is uncertainty about the total outcome, the actual amount of spectrum available may be more or less than that estimated. Some of the spectrum that may be available to the Company may include a portion of the 28 MHz lower L-band spectrum adjacent to the frequencies already assigned to the Company by the FCC. In anticipation of that possibility, the Company filed the application described above requesting specific authority from the FCC to operate using these additional frequencies.

Pursuant to ITU regulations, the Company must place the Satellite in use by May 20, 1995 or risk losing the orbital location of its satellite, as well as the U.S. portion of its L-band spectrum. Thus, in the event that the Company does not meet this deadline, there can be no assurance that the Company will have access to spectrum previously coordinated or to its orbital slot. If the Company is unable to meet this deadline, then the Company would ask the U.S. government either to seek an extension of the deadline from the ITU's Radio Regulation Board or to pursue other options for protecting the Company's access to adequate spectrum.

The ITU's Radio Regulations include a table of frequency allocations that prescribe the permitted uses of the radio spectrum. A significant portion of the spectrum assigned to the Company by the FCC is allocated internationally solely to aviation safety communications on a primary basis. The U.S. government has taken the position internationally that the U.S. mobile satellite service system, while it will provide other communications services as well, qualifies as an aviation safety system and, as a result, all of the system's communications are entitled to use all of the spectrum that may be coordinated for the system. While the Company is aware that some international organizations may disagree with the U.S. position, the U.S. interpretation has not been formally challenged at the ITU. There can be no assurances, however, that a challenge will not occur in the future. As a result of the ITU satellite plan for 10700-10950 MHz, 11200-11450 MHz and 12750-13250 MHz, the United States has not coordinated international use of the 10700-10950 MHz, 11200-11450 MHz and 12750-13250 MHz band for earth station feeder links in Alaska, Hawaii, Puerto Rico, and the Virgin Islands. Accordingly, feeder-link earth stations may not operate in these locations. The Company does not currently anticipate a need for earth stations in these areas, and if such a need developed, the Company would not be able to operate feeder-link earth stations without ITU coordination. There can be no assurance that the ITU would accept any such request.

In February 1992, the World Administrative Radio Conference ("WARC") convened in Spain under the auspices of the ITU. Two significant mobile satellite service developments occurred at the WARC. First, the international service limitations imposed on a significant portion of the existing L-band mobile satellite service spectrum were relaxed for U.S., Canadian and Mexican systems. Second, over 100 MHz of additional spectrum was allocated in March 1992, to mobile satellite service for future use on a regional (North and South America) and global basis. To date, of this additional spectrum, only the 1530-1544 MHz, 1610-1626.5 MHz, 1626.5-1645.5 MHz and 2483.5-2500 MHz bands have been allocated to mobile satellite service by the FCC. While the Company is actively seeking authority to use portions of this and other spectrum for its second and third satellites, other entities are also seeking authority to use this spectrum; and there can be no assurance that spectrum will be available for use in the United States or, if so, that it will be available to the Company.

Store-and-Forward Data Service

In anticipation of the start of its full commercial service, the Company is providing a store-and-forward data service (called SKYCELL® Fleet Management data services) using satellite capacity equal to two voice channels leased from Comsat on the MARISAT F-1 satellite, and has received FCC authorization to provide this service. The Comsat lease agreement extends to the end of 1994 with an option to extend one additional year and the Company may lease two additional channels from Comsat if warranted by demand for this store-and-forward data service. Although backup capability is available, there would be an interruption in service in the event that the MARISAT F-1 satellite were to become unavailable (the MARISAT F-1 satellite was launched in 1976 with an expected service life of 5 years) and the Company would have to pay prevailing tariffed rates, which may be significantly higher than the rates charged for the MARISAT F-1 satellite.

Because of the very limited power of the MARISAT F-1 satellite (compared to the Satellite) and the limited bandwidth available, the initial service is limited to low-speed "store-and-forward" data applications.

American Communications, Inc. ("GE American"), also operates a satellite at the 101 degrees W.L. orbital location. American Mobile and GE American have an agreement covering both MSAT-1 and MSAT-2 that may require American Mobile to modify its operations or make certain payments to GE American if American Mobile's operations cause interference to those of GE American. While there can be no assurances, the Company does not anticipate any interference in the operations of either MSAT-1 or MSAT-2 and those of GE American.

American Mobile's subscriber equipment will operate in L-band frequencies that are limited in available bandwidth. The feeder-link earth stations and the network communications controller of the CGS operate in the more plentiful fixed satellite service Ku-band frequencies. Of the 30 MHz in the upper L-band frequencies, American Mobile is currently licensed to operate in the 1544-1559/1645.5-1660.5 MHz bands. Of the 30 MHz assigned to American Mobile by the FCC, one MHz is limited to AMS(R)S and one-way paging and two MHz are limited to distress and safety communications. American Mobile does not plan to operate on these three MHz of bandwidth.

In June 1996, the FCC issued a notice of proposed rulemaking proposing to assign to American Mobile the first 28 MHz of internationally coordinated L-band spectrum from either the upper or lower portion of the MSS L-band. Under the FCC's proposal, American Mobile would have first priority access to use the lower L-band spectrum as necessary to compensate for spectrum unavailable for coordination in the upper L-band. In the event the United States is able to coordinate more than 28 MHz of L-band spectrum, the FCC has proposed allowing other applicants to apply for assignment of those frequencies. Certain entities have filed with the FCC petitions to deny American Mobile's application and comments opposing the assignment of additional frequencies to American Mobile. While there can be no assurances, American Mobile believes the FCC is likely to grant American Mobile's application.

In the Ku-band frequencies, American Mobile is currently licensed to operate MSAT-2 using 200 MHz within the bands 10.75-10.95 GHz for downlink transmissions and 13.0-13.15 GHz and 13.2-13.25 GHz for uplink transmissions. American Mobile has applied for authority to operate using an additional 200 MHz of spectrum within the same bands.

Spectrum availability, particularly in the L-band, is a function not only of how much spectrum is assigned to American Mobile by the FCC, but also the extent to which the same frequencies are used by other systems in the North American region, and the manner of such use. All spectrum use must be coordinated with other parties that are providing or plan to provide mobile satellite-based communications in the same geographical region using the same spectrum. At this time, the other parties with which spectrum use must be coordinated include Canada, Mexico, the Russian Federation and Inmarsat.

Use of the spectrum is determined through a series of negotiations between the United States government and the other user agencies, pursuant to the rules and regulations of the International Telecommunication Union ("ITU"). For the past several years, each of the countries and international organizations that have used or will use L-band frequencies within the North American region have been meeting regularly to negotiate and coordinate their current and future use of that spectrum. American Mobile estimates that international coordination will make approximately 20 MHz of L-band spectrum available to the United States for MSAT-2. Since the coordination process involves many parties and there is uncertainty about the total outcome, the actual amount of spectrum available may be more or less than that estimated. In addition, the proposed Satellite Sharing Agreement may make the coordination of spectrum for American Mobile's system

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10-K
Annual Report for American Mobile Satellite Corp.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1996
Commission file number 0-23044

AMERICAN MOBILE SATELLITE CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

93-0976127
(I.R.S. Employer
Identification No.)

10802 Parkridge Boulevard
Reston, VA
(Address of principal executive
offices)

22091
(Zip Code)

Registrant's telephone number, including area code: (703) 758-6000
Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act:
Common Stock, \$0.01 per value per share
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such report(s), and (2) has been subject to such
filing requirements for the past 90 days. Yes X No
--- ---

Indicate by check mark if disclosure of delinquent filers pursuant to
Item 405 of Regulation S-K is not contained herein, and will not be contained,
to the best of registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this Form 10-K or any
amendments to this Form 10-K. []

The aggregate market value of shares of Common Stock held by
non-affiliates at February 28, 1997 was approximately \$342,139,827.

Number of shares of Common Stock outstanding at February 28, 1997: 25,111,180.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in the Company's definitive Proxy Statement for its
1997 Annual Meeting of Stockholders is incorporated by reference in Part III of
this Form 10-K.

The Company has filed an application with the FCC to operate AMSC-1 using an additional 25 MHz of L-band frequencies adjacent to those already assigned to the Company by the FCC (the "lower L-band"). In June 1996, the FCC issued a notice of proposed rulemaking proposing to assign to the Company the first 25 MHz of internationally coordinated L-band spectrum from either the upper or lower portion of the MSS L-band. The Company would have first priority access to use the lower L-band spectrum as necessary to compensate for spectrum unavailable for coordination in the upper L-band. In the event the U.S. is able to coordinate more than 25 MHz of L-band spectrum, the FCC proposes allowing other applicants to apply for assignment of those frequencies. Certain entities have filed with the FCC petitions to deny the Company's application and comments opposing the assignment of additional frequencies to the Company, but the Company believes that there are several reasons why the agency will grant the Company's application. There is a possibility that the FCC will auction the additional frequencies to the highest bidder. Congress has given the FCC authority to auction spectrum for which there are mutually exclusive applications, but it is the Company's position that these additional frequencies should not be auctioned because only the Company is able to use the frequencies efficiently. No competing applications have been filed to use the lower L-band.

In the Ku-band frequencies, the Company is currently licensed to operate AMSC-1 using 200 MHz within the bands 10.75-10.95 GHz for downlink transmissions and 13.0-13.15 GHz and 13.2-13.25 GHz for uplink transmissions. The Company has applied for authority to operate using an additional 200 MHz of spectrum within the same bands.

The SKYCELL System is restricted by the amount of L-band spectrum available to it. Spectrum availability is a function not only of how much spectrum is assigned to the Company by the FCC, but also the extent to which the same frequencies are used by other systems in the North American region, and the manner of such use. All spectrum use must be coordinated with other parties which are providing or plan to provide mobile satellite-based communications in the same geographical region using the same spectrum. At this time, the other parties with which spectrum use must be coordinated include Canada, Mexico, the Russian Federation and Inmarsat.

Use of the spectrum is determined through a series of negotiations between the United States government and the other user agencies, pursuant to the rules and regulations of the ITU. The ITU is a specialized agency within the United Nations organization responsible for the international regulation of telecommunications. For the past several years, each of the countries and international organizations that have or will use L-band frequencies within the North American region have been meeting regularly to negotiate and coordinate their current and future use of that spectrum. Representatives of the Company have participated in certain of these negotiations in support of the U.S. delegation.

The Company estimates that international coordination will make approximately 20 MHz of L-band spectrum available to the United States for AMSC-1. Since the coordination process involves many parties and there is uncertainty about the total outcome, the actual amount of spectrum available may be more or less than that estimated. Some of the spectrum that may be available to the Company may include a portion of the 25 MHz lower L-band spectrum adjacent to the frequencies already assigned to the Company by the FCC. In anticipation of that possibility, the Company filed the application described above requesting specific authority from the FCC to operate using these additional frequencies.

The ITU's Radio Regulations include a table of frequency allocations that prescribe the permitted uses of the radio spectrum. A significant portion of the spectrum assigned to the Company by the FCC is allocated internationally solely to aviation safety communications on a primary basis. The U.S. government has taken the position internationally that the U.S. mobile satellite service system, while it will provide other communications services as well, qualifies as an aviation safety system and, as a result, all of the system's communications are entitled to use all of the spectrum that may be coordinated for the system. While the Company is aware that some international organizations may disagree with the U.S. position, the U.S. interpretation has not been formally challenged at the ITU. There can be no assurances, however, that a challenge will not occur in the future. As a result of the ITU satellite plan for 10700-10950 MHz, 11200-11450 MHz and 12750-13250 MHz, the United States has not coordinated international use of the 10700-10950 MHz, 11200-11450 MHz and 12750-13250 MHz band for earth station feeder links in Alaska, Hawaii, Puerto Rico, and the Virgin Islands. Accordingly, feeder-link earth stations may not operate in these locations. The Company does not currently anticipate a need for earth stations in these areas, and if such a need developed, the Company would not be able to operate feeder-link earth stations without ITU coordination. There can be no assurance that the ITU would accept any such request.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1994
Commission file number 0-23044

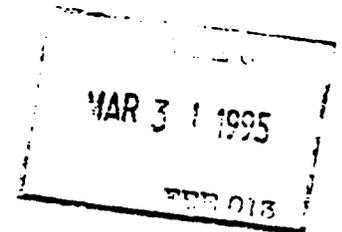
AMERICAN MOBILE SATELLITE CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

93-0976127
(I.R.S. Employer
Identification No.)

10802 Parkridge Boulevard
Reston, VA
(Address of principal executive
offices)

22091
(Zip Code)



Registrant's telephone number, including area code: (703) 758-6000
Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.01 per value per share
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report(s), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. [x]

The aggregate market value of shares of Common Stock held by non-affiliates at March 3, 1995 was approximately \$434,166,576.

Number of shares of Common Stock outstanding at March 3, 1995: 24,807,462

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in the Company's 1994 Annual Report to Stockholders is incorporated by reference in Part II of this Form 10-K.

Certain information in the Company's definitive Proxy Statement for its 1995 Annual Meeting of Stockholders is incorporated by reference in Part III of this Form 10-K.

The Company's License. The Company's FCC license requires it to comply with a specified construction and launch schedule. The Company is not in compliance with that schedule and has petitioned the FCC for changes to the schedule. These requests are pending for the completion of construction and launch of the first satellite and for the commencement of construction for the second and third satellites. The Company does not believe that the delay in completing construction and launching the first satellite will adversely affect the Company's license. Certain of the requests for the second and third satellites have been opposed. The FCC has the authority to revoke the authorizations for the second and third satellites and in connection with such a revocation, could exercise its authority to rescind the Company's license. The Company believes that the exercise of such authority to rescind the license is unlikely.

The Company has filed an application with the FCC to operate the Satellite using an additional 28 MHz of L-band frequencies adjacent to those already assigned to the Company by the FCC (the "lower L-band"). Certain entities have filed with the FCC petitions to deny the Company's application and comments opposing the assignment of additional frequencies to the Company, but the Company believes that there are several reasons why the agency will grant the Company's application. The Company's belief is based primarily on there being an inadequate amount of spectrum available in the lower L-band to justify the FCC licensing another satellite system to use the frequencies, since Inmarsat already is operating a satellite system using a substantial portion of the 28 MHz of lower L-band spectrum and the remaining spectrum must be shared with the three other countries proposing new satellite systems. The Company is unique in its ability to use even a relatively small amount of the 28 MHz efficiently by combining the new frequencies with those that the FCC already has assigned to it and quickly implementing the use of all the available spectrum. Another factor favoring the assignment of the lower L-band to the Company is that the Company may need access to these additional frequencies in order to obtain access to the 20 MHz of spectrum that is the stated goal of U.S. coordination efforts. In addition, the entities that have opposed the assignment of the additional lower L-band frequencies to the Company are proponents of satellite systems that use non-geosynchronous satellites and the additional frequencies are not suitable, in the Company's view, for use by such systems. There is a possibility that the FCC will auction the additional frequencies to the highest bidder. Congress has given the FCC authority to auction spectrum for which there are mutually exclusive applications, but it is the Company's position that these additional frequencies should not be auctioned because only the Company is able to use the frequencies efficiently. No competing applications have been filed to use the lower L-band.

The Company has requested additional frequencies for the operation of its second and third satellites. Five other entities have also filed applications to use these frequencies to construct Mobile Satellite Service systems, all of which proposed to operate in nongeostationary orbit. The FCC subsequently adopted rules that limit the use of these additional frequencies to satellite systems that use nongeostationary orbits. The Company has requested reconsideration of this decision. The FCC permitted the Company, however, to amend its application to conform to the FCC's requirements for operations in the bands. In November 1994, the Company filed an application to construct, launch and operate a nongeostationary mobile satellite system in the additional bands and, as permitted by Commission rules, deferred any financial showing of its ability to construct such a system until January 1996. In January 1995, three of the five other applicants were granted licenses and the other two were given until January 1996 to demonstrate their financial qualifications. Because the FCC has determined that only five entities may share the frequencies, it is possible that the FCC will auction these additional frequencies and others if AMSC and the other two entities demonstrate their financial qualifications by January 1996.

The term of the license for each of the Company's three authorized satellites is ten years, beginning when the Company certifies that the respective satellite is operating in compliance with the Company's license. Although the Company anticipates that the authorizations will be extended in due course to correspond to the useful lives of the satellites and that new licenses will be granted for replacement satellites, there is no assurance of such extension or grant.

The Company is required by the terms of its license to provide coverage to all 50 states of the United States. Because of the location of the Satellite over the equator, the curvature of the Earth and the Satellite's resulting look angle limit, the Company will not be able to provide a full range of fixed and mobile satellite services to the northwest portion of Alaska. See "Business -- Components of the Communications System -- Satellite." above. No waiver of the license requirement has been requested concerning the relatively limited coverage of Alaska. See "Business -- Components of the Communications System."

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1995
Commission file number 0-23044

AMERICAN MOBILE SATELLITE CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

93-0976127
(I.R.S. Employer
Identification No.)

10802 Parkridge Boulevard
Reston, VA
(Address of principal executive
offices)

22091
(Zip Code)

Registrant's telephone number, including area code: (703) 758-6000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.01 per value per share
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report(s)), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K.

The aggregate market value of shares of Common Stock held by non-affiliates at February 29, 1996 was approximately \$606,392,275.

Number of shares of Common Stock outstanding at February 29, 1996: 25,005,867

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in the Company's definitive Proxy Statement for its 1996 Annual Meeting of Stockholders is incorporated by reference in Part III of this Form 10-K.

additional 1530-1544/1631.5-1645.5 MHz bands. Of the 30 MHz assigned to the Company by the FCC, one MHz is limited to AMS(R)S and one-way paging and two MHz are limited to distress and safety communications. The Company does not plan to operate on these three MHz of bandwidth.

The Company has filed an application with the FCC to operate AMSC-1 using an additional 28 MHz of L-band frequencies adjacent to those already assigned to the Company by the FCC (the "lower L-band"). Certain entities have filed with the FCC petitions to deny the Company's application and comments opposing the assignment of additional frequencies to the Company, but the Company believes that there are several reasons why the agency will grant the Company's application. The Company's belief is based primarily on there being an inadequate amount of spectrum available in the lower L-band to justify the FCC licensing another satellite system to use the frequencies, as Inmarsat already is operating a satellite system using a substantial portion of the 28 MHz of lower L-band spectrum and the remaining spectrum must be shared with the three other countries proposing new satellite systems. The Company is unique in its ability to use even a relatively small amount of the 28 MHz efficiently by combining the new frequencies with those that the FCC already has assigned to it and quickly implementing the use of all the available spectrum. Another factor favoring the assignment of the lower L-band to the Company is that the Company may need access to these additional frequencies in order to obtain access to the 20 MHz of spectrum that is the stated goal of U.S. coordination efforts. In addition, the entities that have opposed the assignment of the additional lower L-band frequencies to the Company are proponents of satellite systems that use non-geosynchronous satellites and the additional frequencies are not suitable, in the Company's view, for use by such systems. There is a possibility that the FCC will auction the additional frequencies to the highest bidder. Congress has given the FCC authority to auction spectrum for which there are mutually exclusive applications, but it is the Company's position that these additional frequencies should not be auctioned because only the Company is able to use the frequencies efficiently. No competing applications have been filed to use the lower L-band.

In the Ku-band frequencies, the Company is currently licensed to operate AMSC-1 using 200 MHz within the bands 10.75-10.95 GHz for downlink transmissions and 13.0-13.15 GHz and 13.2-13.25 GHz for uplink transmissions. The Company has applied for authority to operate using an additional 200 MHz of spectrum within the same bands.

The SKYCELL System is restricted by the amount of L-band spectrum available to it. Spectrum availability is a function not only of how much spectrum is assigned to the Company by the FCC, but also the extent to which the same frequencies are used by other systems in the North American region, and the manner of such use. All spectrum use must be coordinated with other parties which are providing or plan to provide mobile satellite-based communications in the same geographical region using the same spectrum. At this time, the other parties with which spectrum use must be coordinated include Canada, Mexico, the Russian Federation and Inmarsat.

Use of the spectrum is determined through a series of negotiations between the United States government and the other user agencies, pursuant to the rules and regulations of the ITU. The ITU is a specialized agency within the United Nations organization responsible for the international regulation of telecommunications. For the past several years, each of the countries and international organizations that have or will use L-band frequencies within the North American region have been meeting regularly to negotiate and coordinate their current and future use of that spectrum. Representatives of the Company have participated in certain of these negotiations in support of the U.S. delegation.

The Company has estimated that international coordination will make approximately 20 MHz of L-band spectrum available to the United States for AMSC-1. Since the coordination process involves many parties and there is uncertainty about the total outcome, the actual amount of spectrum available may be more or less than that estimated. Some of the spectrum that may be available to the Company may include a portion of the 28 MHz lower L-band spectrum adjacent to the frequencies already assigned to the Company by the FCC. In anticipation of that possibility, the Company filed the application described above requesting specific authority from the FCC to operate using these additional frequencies.

The ITU's Radio Regulations include a table of frequency allocations that prescribe the permitted uses of the radio spectrum. A significant portion of the spectrum assigned to the Company by the FCC is allocated internationally solely to aviation safety communications on a primary basis. The U.S. government has taken the position internationally that the U.S. mobile satellite service system, while it will provide other

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1993
Commission file number 0-23044

AMERICAN MOBILE SATELLITE CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

93-0976127
(I.R.S. Employer
Identification No.)

10802 Parkridge Boulevard
Reston, VA
(Address of principal executive
offices)

22091
(Zip Code)

Registrant's telephone number, including area code: (703) 758-6000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.01 per value per share
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report(s), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. []

The aggregate market value of shares of Common Stock held by non-affiliates at March 3, 1994 was approximately \$472,446,628.

Number of shares of Common Stock outstanding at March 3, 1994: 24,542,682

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in the Company's definitive Proxy Statement for its 1994 Annual Meeting of Stockholders is incorporated by reference in Parts I and III of this Form 10-K.

Certain information in the Company's 1993 Annual Report to Stockholders is incorporated by reference in Part II of this Form 10-K.

Certain information in the Company's Registration Statement on Form S-1 (Reg. No. 33-70468) is incorporated by reference in Part I of this Form 10-K.

these requests have been opposed. The FCC has not acted on the Company's requests. The FCC has the authority to revoke the authorizations for the second and third satellites and in connection with such a revocation, could exercise its authority to rescind the Company's license. The Company believes that the exercise of such authority to rescind the license is unlikely.

The Company has filed an application with the FCC to operate the Satellite using an additional 28 MHz of L-band frequencies adjacent to those already assigned to the Company by the FCC (the "lower L-band"). Certain entities have filed with the FCC petitions to deny the Company's application and comments opposing the assignment of additional frequencies to the Company, but the Company believes that there are several reasons why the agency will grant the Company's application. The Company's belief is based primarily on there being an inadequate amount of spectrum available in the lower L-band to justify the FCC licensing another satellite system to use the frequencies, since Inmarsat already is operating a satellite system using a substantial portion of the 28 MHz of lower L-band spectrum and the remaining spectrum must be shared with the three other countries proposing new satellite systems. The Company is unique in its ability to use even a relatively small amount of the 28 MHz efficiently by combining the new frequencies with those that the FCC already has assigned to it and quickly implementing the use of all the available spectrum. Another factor favoring the assignment of the lower L-band to the Company is that the Company may need access to these additional frequencies in order to obtain access to the 20 MHz of spectrum that is the stated goal of U.S. coordination efforts. In addition, the entities that have opposed the assignment of the additional lower L-band frequencies to the Company are proponents of satellite systems that use non-geosynchronous satellites and the additional frequencies are not suitable for use by such systems. There is the possibility that the FCC will auction the additional frequencies to the highest bidder. Congress has given the FCC authority to auction spectrum for which there are mutually exclusive applications, but it is the Company's position that these additional frequencies should not be auctioned because only the Company is able to use the frequencies efficiently. No competing applications have been filed to use the lower L-band. The Company has requested additional frequencies for its second and third satellites. Five other entities have also filed applications to use these frequencies to construct mobile satellite services systems. The FCC has proposed rules that will restrict use of these frequencies to low-earth orbit satellite systems that can provide global coverage. Although the FCC has proposed to reject AMSC's regional, geostationary satellite system proposal, the FCC's proposal appears to provide AMSC an opportunity to amend its application to conform to whatever requirements the FCC finally adopts if AMSC wishes to continue to pursue the use of these bands. It is possible that the FCC will auction these additional frequencies.

The term of the license for each of the Company's three authorized satellites is ten years, beginning when the Company certifies that the respective satellite is operating in compliance with the Company's license. Although the Company anticipates that the authorizations will be extended in due course to correspond to the useful lives of the satellites and that new licenses will be granted for replacement satellites, there is no assurance of such extension or grant.

The Company is required by the terms of its license to provide coverage to all 50 states of the United States. Because of the location of the Satellite over the equator, the curvature of the Earth and the Satellite's resulting look angle limit, the Company will not be able to provide a full range of fixed and mobile satellite services to the northwest portion of Alaska. See "Business -- Components of the Communications System -- Satellite," above. No waiver of the license requirement has been requested concerning the relatively limited coverage of Alaska. See "Business -- Components of the Communications System."

The FCC has designated the Company as the licensee for both Mobile Satellite Service and Aeronautical Mobile Satellite (Route) Service ("AMS(R)S"). AMS(R)S includes satellite communications related to air traffic control, as well as aeronautical safety-related operational and administrative functions. As a condition to its authorization, the Company is required by the FCC to be capable of providing priority and preemptive access for AMS(R)S traffic and to be interoperable with and capable of transferring AMS(R)S traffic to international and foreign systems providing such service. The Company currently anticipates it will be able to meet these requirements without any material adverse effect on its business. If the Company is unable to meet these requirements, the FCC may authorize and give priority spectrum access to one or more additional satellite systems that meet the specified requirements. If the Company is assigned spectrum in the lower L-band, it will be required by the FCC to provide similar priority and preemptive access in that spectrum to maritime distress and safety communications. The

for authorization to operate over the additional 1530-1544/1631.5-1645.5 MHz bands. Of the 30 MHz assigned to the Company by the FCC, one MHz is limited to AMS(R)S and one-way paging and two MHz are limited to distress and safety communications. The Company does not plan to operate on these three MHz of bandwidth. In the Ku-band frequencies, the Company is currently licensed to operate the Satellite using 200 MHz within the bands 10.75-10.95 GHz for downlink transmissions and 13.0-13.15 GHz and 13.2-13.25 GHz for uplink transmissions. The Company has applied for authority to operate using an additional 200 MHz of spectrum within the same bands.

The Communications System is restricted by the amount of L-band spectrum available to it. Spectrum availability is a function not only of how much spectrum is assigned to the Company by the FCC, but also the extent to which the same frequencies are used by other systems in the North American region, and the manner of such use. All spectrum use must be coordinated with other parties which are providing or plan to provide mobile satellite-based communications in the same geographical region using the same spectrum. At this time, the other parties with which spectrum use must be coordinated include Canada, Mexico, the Russian Federation and Inmarsat.

Use of the spectrum is determined through a series of negotiations between the United States government and the other user agencies, pursuant to the rules and regulations of the ITU. The ITU is a specialized agency within the United Nations organization responsible for the international regulation of telecommunications. For the past several years, each of the countries and international organizations that have or will use L-band frequencies within the North American region have been meeting regularly to negotiate and coordinate their current and future use of that spectrum. Representatives of the Company have participated in certain of these negotiations in support of the U.S. delegation.

The Company has estimated that international coordination will make approximately 20 MHz of L-band spectrum available to the United States for the Satellite. Since the coordination process involves many parties and there is uncertainty about the total outcome, the actual amount of spectrum available may be more or less than that estimated. Some of the spectrum that may be available to the Company may include a portion of the 28 MHz lower L-band spectrum adjacent to the frequencies already assigned to the Company by the FCC. In anticipation of that possibility, the Company filed the application described above requesting specific authority from the FCC to operate using these additional frequencies.

Pursuant to ITU regulations, the Company must place the Satellite in use by May 20, 1995 or risk losing the orbital location of its satellite, as well as the U.S. portion of its L-band spectrum. Thus, in the event that the Company does not meet this deadline, there can be no assurance that the Company will have access to spectrum previously coordinated or to its orbital slot. If the Company is unable to meet this deadline, then the Company would ask the U.S. government either to seek an extension of the deadline from the ITU's Radio Regulation Board or to pursue other options for protecting the Company's access to adequate spectrum.

The ITU's Radio Regulations include a table of frequency allocations that prescribe the permitted uses of the radio spectrum. A significant portion of the spectrum assigned to the Company by the FCC is allocated internationally solely to aviation safety communications on a primary basis. The U.S. government has taken the position internationally that the U.S. mobile satellite service system, while it will provide other communications services as well, qualifies as an aviation safety system and, as a result, all of the system's communications are entitled to use all of the spectrum that may be coordinated for the system. While the Company is aware that some international organizations may disagree with the U.S. position, the U.S. interpretation has not been formally challenged at the ITU. There can be no assurances, however, that a challenge will not occur in the future. As a result of the ITU satellite plan for 10700-10950 MHz, 11200-11450 MHz and 12750-13250 MHz, the United States has not coordinated international use of the 10700-10950 MHz, 11200-11450 MHz and 12750-13250 MHz band for earth station feeder links in Alaska, Hawaii, Puerto Rico, and the Virgin Islands. Accordingly, feeder-link earth stations may not operate in these locations. The Company does not currently anticipate a need for earth stations in these areas, and if such a need developed, the Company would not be able to operate feeder-link earth stations without ITU coordination. There can be no assurance that the ITU would accept any such request.

In February 1992, the World Administrative Radio Conference ("WARC") convened in Spain under the auspices of the ITU. Two significant mobile satellite service developments occurred at the WARC. First, the international service limitations imposed on a significant portion of the existing L-band mobile satellite service