

1 TELEPHONE (949) 330 - 7081
2 FACSIMILE (949) 330 - 7042
3 Venture Partners, Inc.
4 65 Enterprise, Suite 320
5 Aliso Viejo, CA 92656

APPROVED
2002 DEC 11 PM 2:49
CLERK
BANKRUPTCY COURT
DISTRICT OF DELAWARE

6 UNITED STATES BANKRUPTCY COURT
7 FOR THE DISTRICT OF DELAWARE
8

9 IN RE:) CASE NO.: 02-10499 (PJW)
10 Globalstar Capital Corporation,)
11 et al.,) DATE: December 11, 2002
12 Debtor.) TIME:
13) CTRM:
14) JUDGE: Honorable Peter J. Walsh
15)
16)
17)

18
19 TO THE HONORABLE COURT AND ALL PARTIES HEREIN:
20

21 Declaration of Venture Partners, Inc. bid to invest in
22 Globalstar.
23

24 On May 7, 2002, we contacted Jones Day to begin due diligence
25 and open negotiations with the debtor. The attached documents
26 are a record of every correspondence with Jefferies, Globalstar
27 and Loral. This information was all given to the above parties
28 under confidential NDA's. In addition, all of the negotiations

1 with Venture Partners, Inc. proposed customers for the use of
2 the Globalstar system have entered into non-circumvention and
3 proprietary agreements.

4
5 On September 17, 2002, a meeting in which Venture Partners, Inc.
6 directors met in our offices at Aliso Viejo, CA, in attendance
7 were representatives from both Globalstar and Jefferies. A copy
8 of their business cards are enclosed in the Document and
9 Declaration Exhibits book. Following that meeting, Robert B.
10 Siegel, Managing Director, Corporate Finance for Jefferies,
11 requested thru a phone call that Venture Partners, Inc. submit
12 an offer via e-mail to his office. The salient points for the
13 offer at that time, which is also enclosed in the book, are
14 Venture Partners, Inc. would deposit \$50 US Million in a new
15 Globalstar bank account to facilitate ongoing operations and
16 would offer 49% interest to the creditors. A breakdown of the
17 stock dispersements is also attached in the book. Loosely
18 submitted with this declaration for immediate bullet point
19 review are copies of documentation substantiating the
20 credibility of our offer. One of the documents dated November
21 21, 2002, from K.I.M.S. (Korean Institute for Military Studies),
22 which is the military equivalent to the D.I.S.A. (Defense
23 Information Systems Agency), which is the purchasing agency for
24 the department of defense for the United States of America, who
25 purchased unlimited bandwidth for 20,000 handheld phones for a
26 24-month contract from Iridium Satellite, LLC. This contract was
27 authored by Venture Partners, Inc. and submitted thru Hughes
28 Global Services, which is also documented in the attached bullet

1 points. The proposed memorandum of understanding thru further
2 talks with K.I.M.S., is for 50,000 Globalstar handheld units,
3 which are ready to be shipped and are in inventory. It provides
4 for \$3000/yr. per unit for a period of not less than three (3)
5 years and would possibly be extended in addition to adding more
6 units. This contract would be prepaid at the beginning of each
7 annual period in the form of a irrevocable letter of credit to
8 be placed in a US bank in the amount of \$150 US Million,
9 totaling \$450 US Million over a three (3) year period to the
10 new Globalstar. This letter of credit could be accessible within
11 45 days of Venture Partners, Inc. bid being accepted. In
12 addition, attached, is a letter from Time Warner Telecom in
13 regards to supplying 1600 handheld units, with Internet hook-up,
14 with their own secured gateway to commence immediately. These
15 two agreements can be executed as fast as it is physically
16 possible due to the lengthy negotiations Venture Partners, Inc.
17 has already contributed.

18
19 On December 13, 2002, a hearing is proposed regarding the
20 debtors ability to accept or reject any proposals. Venture
21 Partners, Inc. prays to the court that this extension be denied
22 and that the debtors and their professionals would be able to
23 present any bids that would assure Globalstar's future growth
24 and existence better than the one of Venture Partners, Inc. on
25 or before the December 30, 2002 hearing. Due to the fact that it
26 has been almost three (3) months since our last offer and we can
27 finalize and obtain over \$200 US Million in secured revenues for
28 the new Globalstar in 2003, Venture Partners, Inc. would have

1 Bank of America provide up to \$25 US Million to the new
2 Globalstar for operational funding until the cash flow of
3 customer contracts can sustain ongoing operations and future
4 growth. In addition, we would offer 30% equity to the creditors
5 and plan to keep the company public and reorganize its structure
6 similar to Exhibit B: Bid Scenario Under Reorganization, located
7 in the book under tabs 5 & 6. In closing, please be advised that
8 Venture Partners, Inc. will draft a binding offer to the court
9 upon being able to legitimately work out the final details with
10 the debtor.

11

12 Venture Partners, Inc.

13 65 Enterprise, Suite 320

14 Aliso Viejo, CA 92656

15 (949) 330-7081 (tel)

16 (949) 330-7042 (fax)

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28



STERLING FINANCIAL

INVESTMENT GROUP

Member NASD/MSRB/NFA/SIPC

June 7, 2002

Gentlemen:

I am pleased to provide this letter of confirmation on behalf of Mr. Gene Curcio.

Gene Curcio / The Curcio Group, Inc. has on deposit with Sterling Financial in excess of \$50,000,000.00 in DTC ready securities.

Gene Curcio, on his own authority, may direct Sterling Financial to transfer any or all securities to collateralize a financial transaction on behalf of Venture Partners, Inc.

None of the securities in question have been liened or margined. Mr. Curcio is the sole signature on these accounts.

Should you have any questions, please contact me:

Mr. Jason Lines
Sterling Financial Investment Group
Branch Manager
(949) 330-7060

Sincerely,


Jason Lines



November 19, 2002

Attn: Gene Curcio
Chairman & CEO
Venture Partners, Inc.
65 Enterprise, Suite 320
Aliso Viejo, CA 92656

Todd D. Gillespie
Vice President
600 Newport Center Drive
Suite 333
Newport Beach, CA 92660
(949) 760-4505, fax 760-4635

Dear Mr. Curcio,

As Vice President of Bank of America, The Private Bank division, I have been in contact with Jim Gaisford, Account Executive for The Curcio Group of Banc of America Investment Services, Inc., and have been advised that on October 25, 2002, a certificate of 6,500,000 shares of DTC freely traded securities was deposited into your account. Your bank statement ending period 10/31/02 displays a portfolio value of \$32,500,000.00 US Dollars. In addition, I understand on 11/13/02, additional 7,750,000 shares of the same securities were given to Mr. Gaisford for deposit to the same account.

On behalf of Bank of America, The Private Bank division, and Banc of America Investment Services, Inc., as well as Mr. Gaisford and myself, we appreciate not only your business, but the relationship proposed by Venture Partners, Inc. going forward regarding your acquisition and turn around reorganization for the bankrupt Globalstar.

It is my understanding that if you can acquire a controlling interest you will rename the company PLANETEL™. If you were successful in this regard, Bank of America may be interested in exploring a relationship with you whereby the bank might assist in the following manner:

- A. Mezzanine/Bridge funding
- B. Facilitate working lines of credit, collateralized by customer LC's
- C. Any investment banking requirements at a later date, 6mo, 1yr., 2yr.
 - 1. Bond issues
 - 2. Lead market makers
 - 3. Secondary stock issue
 - 4. Acquisition capital

Sincerely,

Todd D. Gillespie
Vice President
The Private Bank

Cc: Jim Gaisford

021031 290 007352628
 BANC OF AMERICA
 INVESTMENT SERVICES INC.
 900 WEST TRADE STREET
 NCL-026-05-01
 CHARLOTTE, NC 28255

Account Number: W80-201260

Banc of America Investment Services, Inc.™

THE CURCIO GROUP INC
 65 ENTERPRISE SUITE 320
 ALISO VIEJO CA 92656

INVESTMENT CONSULTANT
JAMES GAISFORD
 RR#: CJ4

FOR QUESTIONS OR UP-TO-DATE ACCOUNT INFORMATION:
 Investment Consultant 949 260 5991

Investment products provided by Banc of America Investment Services, Inc.:

ARE NOT FDIC INSURED MAY LOSE VALUE ARE NOT BANK GUARANTEED

Banc of America Investment Services, Inc. is a registered broker-dealer,
 member NASD and SIPC and a nonbank subsidiary of Bank of America, N.A.

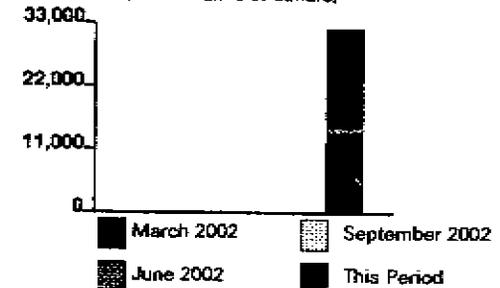
Statement Date: 10/01/02 to 10/31/02

SNAPSHOT

TOTAL PORTFOLIO
\$32,500,000.00

PORTFOLIO VALUE	This Period	Prior Period
Securities	\$32,500,000.00	\$0.00
TOTAL PORTFOLIO VALUE	\$32,500,000.00	\$0.00

Portfolio Value
 (in thousands of dollars)



A portfolio value less than \$100.00 may not be displayed.

ACCOUNT ACTIVITY	This Period	Year-To-Date
Net Miscellaneous Activity	\$0.00	\$0.00

LEGEND

() Numbers in parentheses
 are debits or subtractions.
 NPS - National Financial
 Services LLC

TIME WARNER TELECOM

19 Wall Street, 9th Floor
New York, NY 10005-2101
Tel: 212 364-6000
Fax: 212 364-7245
www.twtelecom.com

November 5, 2002

Dear Mr. Curcio,

I recently verified that the U.S. Federal Courthouse of Lower Manhattan is seeking to purchase and acquire 1,600 Globalstar satellite phones and one gateway. This is due to the repercussion of the 9-11 attacks on New York leading to the complete failure of phone and data systems coming in and out of the courthouse for approximately three (3) weeks. I have been in contact with the person in charge of this procurement and he has expressed an extreme urgency in fulfilling the need for a backup network using the Globalstar satellite system. After speaking with you, I conveyed that it would be possible to deliver 1,600 Globalstar satellite units with the modern/internet access hook-up capability. The purchase order would require unlimited satellite usage plus the delivery of the phones with the modem/internet cable hook-up. This federal procurement officer has expressed an immediate interest in securing this entire package as soon as possible due to the ongoing Homeland security threats. This is not only a matter of extreme necessity but is also timely due to their need to comply with the 2002 budget by December 31. This budget is approximately \$54 Million US Dollars.

This outage disabled the judges, clerks and the administrative staff from being able to retrieve important court archival data necessary for ongoing operations. Therefore, it became an immediate concern for the alternative solution, which thru Globalstar's satellite network could solve. In addition, all other Eastern Seaboard Federal Courts have been mandated to comply with procuring backup communication and network facilities by the above date or lose their 2002 budget for this purchase, which could lead to you expecting additional contracts of the same magnitude. Due to the time and budget constraints, it is necessary for you to finalize your investment and management reorganization of the bankrupt satellite company, as they are not able to contract with a bankrupt company.

Due to the fact that we have had a favorable working relationship with you and your management for several years in telecom, they feel comfortable constructing an agreement with you as soon as possible. Therefore, Mr. Curcio, in closing, please understand that we appreciate any expedient maneuvers on behalf of your company to control Globalstar before the end of the year. My department will be acting only as a liaison and the new Globalstar will receive a contract directly from the U.S. Federal Court system. Please be advised it is in our best interest at Time Warner, as well an executive with 20 years in Telco, to cultivate these types of relationships. Please notify me if I can assist you in any way with the courts, financial partners or managers to help initiate and deliver these services.

Sincerely,



William F. Piper
Director of Marketing
Time Warner Telecom, Inc.
Tel (212) 364-6007
Fax (212) 364-7245



재단법인 한국군사문제연구원

KOREA INSTITUTE FOR MILITARY STUDIES

November 21, 2002

Korea Institute for Military Studies
Kyungk-do P.O. Box 122-11
Changgog-Dong Sujeoung-Ku Seongnam-Si
Kyunggi-do Republic of Korea 461-799

Gene Curcio
Venture Partners Inc.
65 Enterprise, Suite 320
Aliso Viejo, California 92656

Dear Mr. Curcio,

We, the Korea Institute for Military Studies (KIMS), would like to confirm our interest in VPI's offer, thru Globalstar, for 50,000 satellite phone units with unlimited satellite usage for a period of three year at a negotiated usage rate (per phone per year). KIMS is an influential body of the Ministry of Defense and our board of directors includes the deputy chiefs of staff of the South Korean Army, Navy and Air Force.

We would also like to express our interest in confidential encryption capabilities and gateway control for all mobile units. We understand that this deal is contingent upon Venture Partners Inc. obtaining the assets of Globalstar and gaining management control, so we agree in good faith to support Venture Partners Inc. for the purposes of this acquisition.

Our people are actively researching the application of satellite technology for military purposes. Thus, we have several queries regarding the technology:

(461-799) 경기도 성남시 수정구 창곡동 사서함 122-11호

☎ (02)405-2801~2834, FAX (02)405-2895~8, www.kims.re.kr



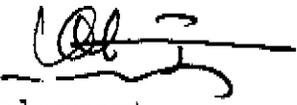
재단법인 한국군사문제연구원

KOREA INSTITUTE FOR MILITARY STUDIES

1. Using the US military as an example, what specification and equipment are needed for each soldier for the different armed forces branches: army, navy and air force?
2. What are the approximate satellite usage rates per annum, monthly, day and hour?
3. What are the approximate costs for the infrastructure and equipment required for implementing satellite technology in the South Korean military?

I look forward to collaborating with you to proceed with this deal.

Sincerely yours,

Park Chan Sook 
Head of Business Development
Korea Institute for Military Studies



VENTURE PARTNERS
I N C O R P O R A T E D

65 Enterprise, Suite 320 • Aliso Viejo, California • 92656 • 949-330-7081

November 25, 2002

Attn: Duk Son, Ham, Lt. General (R)
Director
Korea Institute for Military Studies
Kyungk-Do P.O.Box 122-11
Changggog-Dong Sujeong-Ku Seongnam-Si
Kyungji-Do Republic of Korea 461-799
Tel (02)405-2081~2834
Fax (02)405-2895~8

Park Chan Sook
Head of Business Development
Korea Institute for Military Studies
Kyungk-Do P.O.Box 122-11
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Kyungji-Do Republic of Korea 461-799
Tel (02)405-2081~2834
Fax (02)405-2895~8

Gentlemen,

On behalf of Venture Partners, Inc., we would like to personally thank you for your promptness in which we have received your letters regarding your interest in our offer of 50,000 satellite phone units. In regards to your queries about the capabilities of the Globalstar satellite system technology, please find the information below:

1. Compact, mobile access worldwide – Currently there are 48 LEO (low-earth orbiting) satellites, which cover 80% of the Earth's surface (everywhere outside the extreme polar regions beyond 70 degrees north and south latitude) and most of the Earth's population. The Globalstar system operates on two pairs of frequencies: user links (from the user to the satellites, and vice-versa) and feeder links (from the gateways to the satellites and vice-versa). Globalstar utilizes an FCC license to provide satellite communications service within two 16.5 MHz blocks in the 1.6/2.4 GHz MSS bands (the "L-band" and "S-band," respectively). Globalstar operates on the FCC assigned 1610-1626.5/2483.5-2500 MHz bands of the radio frequency spectrum for the user links. Globalstar currently holds one (1) of eight (8) licenses to utilize a minimum of 3.5 Mhz of paired spectrum in the 2 GHz MSS band, also known as "3G." Utilizing this 2 Ghz or "3G" license, Globalstar would be able to offer high-speed data and video, with speeds raging from 128 Kbps to 600 Kbps, potentially on a global basis and from one single system. Current mobile data rates range from 9.6 Kbps to 56 Kbps. Globalstar currently has 24 operational gateways worldwide and a 99.8% reliability connection. The Globalstar system is unique to other satellite systems, in that it is the only system to operate a "bent pipe" architecture, amplifying and reflecting received signals back to Earth, with no complicated on-board processing or intersatellite links. Because of this "bent pipe" architecture, the voice quality of the Globalstar system is far superior to other satellite systems and is equal to digital cellular connections. When a

Globalstar satellite phone is in operation as a standard cellular phone, it uses Qualcomm's patented CDMA (Code Division Multiple Access) technology. The CDMA technology, along with the system design, allows the Globalstar system to provide greater "raw" data rates than other MSS (Multiple Satellite System) competitors.

2. Confidential encryption capabilities – Each Globalstar satellite phone unit can be outfitted with an encryption sleeve to ensure the user's voice and data are not transmitted or received to anyone other than the intended receiver.
3. Phone to phone access – Since the Globalstar system operates on a "bent pipe" architecture, mobile to mobile access takes only a matter of seconds. Each call is transmitted from the users unit to a satellite and then reflected and amplified down to the intended receivers unit, with no hop to the gateway, therefore making the encryption that much stronger, since there is no landline security to attempt to breach.
4. Internet hook-up from handheld unit with laptop or fixed unit accessibility – Each mobile unit has the capability to "hook-up" to the Internet via a data cable. The unit, once plugged into a laptop, can "dial up" to a satellite via a secure access number, and be online transferring data at approximately 9.6 Kbps up to 56 Kbps. The data transfer rate is determined by the hardware installed in each particular gateway and the hardware of the mobile unit. This current mobile Internet connection is perfect for short data bursts, such as GPS locations, time frames, and other secured data used by military services.
5. Gateway control for all mobile units – We plan to provide the South Korean Military with its own secured gateway, to be placed in a secured location of the military's choice. This gateway will only be utilized by the South Korean Military and will be able to run and control it with the utmost security. Until delivery, location and installation of their own secured gateway, the South Korean Military will run its operations through the current gateway owned and run by DACOM and located in Yeosu, Korea.
6. Each soldier in the army and air force can be outfitted with a mobile unit to continually be in contact with other soldiers and the communications headquarters. Each soldier may also be able to upload/download data via laptop computers. For the navy, we also may be able to provide, at a later date, GPS watches that send SMS (short message system) data bursts to determine a soldier's location and also be able to confirm with the soldier that help is on the way and that their location has been noted. The navy may also have maritime communication kits installed into ships in order to keep communications with other branches of the military as well as international phone calls via the Globalstar satellite system. Mobile units are also available for naval soldiers. The air force may also opt to eventually have aviation units installed in jets, helicopters, etc. in order to fully utilize the satellites capabilities of voice and data communications. A major benefit in utilizing your own secure, military run and owned gateway is that each soldier can have

specific rights as to who and where they can call. There can be multiple levels of caller specific features, which enable the South Korean military full control and access to all outgoing and incoming calls. These levels can be split up according to military branch and/or soldier ranking, and can be determined by the South Korean military and its governing officers. These levels can be administered and changed at any time.

7. The satellite usage rates for the South Korean military would be unlimited to capacity. Each satellite can accept 1600 calls at the exact same second, without ever dropping a call. There are also four (4) satellites constantly overhead approximately every six (6) minutes allowing for 6400 calls at the same time at the exact same second. As the satellites fly overhead and soon become out of range, the call is transferred to the approaching satellite within the range of the call before the call is ever dropped. Each satellite covers approximately a 1500-mile radius.
8. The approximate cost for the infrastructure and equipment required for implementing satellite technology for the South Korean military will be covered by the contract between Venture Partners, Inc. and the South Korean military. A special gateway will be installed specifically for the South Korean military, valued at approximately \$12 Million US Dollars, and will be installed by a date to be determined by both parties. Until the secured gateway, specific for the South Korean military is installed, the South Korean military will be able to utilize the DACOM gateway located in Yeosu, Korea and will be seamlessly integrated once the secured gateway is installed.

Once again, we would like to thank you for your interest in this offer and hope that you find all the information provided to be specific and well suited for your needs. We have also provided Mr. Charles Kim with the specifications for the construction of the new gateway. If you have any questions regarding any of this information please do not hesitate to contact Mr. Charles Kim, as he is our liaison in Korea.

Sincerely,



Gene Curcio
President and CEO
Venture Partners, Inc.



재단법인 한국군사문제연구원

KOREA INSTITUTE FOR MILITARY STUDIES

Korea Institute for Military Studies
Kyungk-Do P.O. Box 122-11
Changgog-Dong Sujeong-Ku Seongnam-Si
Kyungji-Do Republic of Korea 461-799

November 19, 2002

Venture Partners Inc.
65 Enterprise, Suite 320
Aliso Viejo, CA 92656

Dear Mr. Curcio ;

We, the Military Department of Republic of Korea, would like to confirm keen interest in the Satellite Telecommunication Technology and Service of the Global Star for use in military applications. We are particularly interested in the following capabilities of the Global Star's technology.

1. Compact, mobile access worldwide
2. Confidential encryption capabilities
3. Phone to phone access
4. Internet hook-up from handheld unit with laptop or field unit accessibility
5. Gateway control for all mobile units

We believe that the Satellite Telecommunications Technology of the Global Star will play an important role in upgrading the military capabilities of Republic of Korea.

I am looking forward to collaborating with you.

Sincerely yours,


Duk Son, Ham, Lt. General(R)

Director

Korea Institute for Military Studies

(461-799) 경기도 성남시 수정구 창곡동 사서함 122-11호

☎ (02)405-2801 ~ 2834, FAX (02)405-2895 ~ 8, www.kims.re.kr



AGENCY FOR DEFENSE DEVELOPMENT
REPUBLIC OF KOREA

ADDRESS : P.O.BOX 35, YUSEONG, DAEJON, KOREA
FAX NO. : 82 - 42 - 823 - 3400

Agency for Defense Development
Yousung P.O. Box 35
Yousung Daejeon 305-600
KOREA

Nov. 19, 2002

Venture Partners Inc.
65 Enterprise, Suite 320
Aliso Viejo, CA 92656

Dear Mr. Curcio;

I, the head of the Technology Department in Agency for Defense Development, have much interest in *satellite telecommunication technology* for use in military applications. Particularly, I have interest in the following capabilities of Globalstar;

1. Compact, mobile access worldwide
2. Confidential encryption capabilities
3. Phone to phone access
4. Internet hook-up from handled unit with laptop or field unit accessibility
5. Gateway control for mobile units

If possible, I'd like to get some information of above topics. I'm looking forward to receiving your reply soon.

Thank you.

Sincerely yours,


Tae-Ho Lee, Ph.D

Head, Technology Department



Federal Communications Commission
Washington, D.C. 20554

May 18, 2000

Mr. Vincent S. Antonacci
Vice President and General Counsel
General Dynamics Government
Systems Corporation
Worldwide Telecommunication Systems
77 "A" Street
Needham, MA 02494-2806

Dear Mr. Antonacci:

At your request, we are providing information regarding the licensing procedures regarding applications for transfer of control of satellite-related authorizations.

Your counsel has informed us that the Curcio Group, through Venture Partners, Inc. is preparing a proposal to be submitted to the U.S. Bankruptcy Court for the potential acquisition of Iridium, L.L.C. We have been informed that at this time, as part of this proposal, General Dynamics Federal Services Corporation ("GDFS") (a California subsidiary of General Dynamics Government Systems Corporation) intends to assume the operation of the Iridium space segment, the Iridium gateway in Tempe, Arizona and the Iridium telemetry, tracking and control (TT&C) stations in Chandler, Arizona and Sunset Beach, Hawaii. We also are informed that if the proposal of the Curcio Group is successful and if the Commission authorizes the transfer of the licenses for such stations, GDFS will operate these stations on a noncommon carrier basis consistent with the existing licenses.

The existing licenses are: (1) Space System License, Inc. (license to construct, launch and operate the Iridium satellite system (Call Sign S2110)); (2) Iridium U.S., L.P. (license to operate an Iridium gateway earth station in Tempe, Arizona (Call Sign E960131); and (3) Motorola Satellite Communications, Inc. (license to operate Iridium TT&C stations in Chandler, Arizona and Sunset Beach, Hawaii (Call Signs E960244 and E960272)).

You have represented to us that GDFS is a California corporation with no foreign ownership interests. You also have represented that GDFS has never had an FCC license revoked or denied. In addition, you have represented that GDFS's immediate corporate parent, General Dynamics Government Systems Corporation ("GDGS"), is a Delaware corporation with earnings in excess of 1.2 billion dollars in 1999.

FCC consideration of applications for transfer of control are governed by Section 310(d) of the Communications Act of 1934, as amended, which provides:

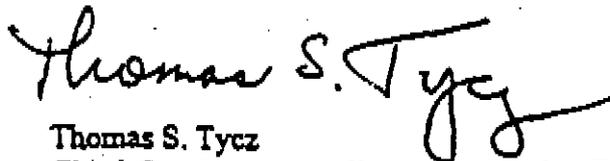
No construction permit or station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly, or by transfer of control of any corporation holding such permit or license, to any person except upon application to the Commission and upon finding by the Commission that the public interest, convenience, and necessity will be served thereby. Any such application shall be disposed of as if the proposed transferee or assignee were making application under section 308 for the permit or license in question; . . . 47 U.S.C. § 310(d).

The Commission's regulations implementing Section 310 (d) for satellite and earth stations are contained in Part 25 of the Commission's rules, 47 C.F.R. Part 25.

Grant of any application for transfer of control would require a showing that the transfer would serve the "public interest, convenience and necessity." Under the public interest standard, the FCC considers several public interest factors, including competition factors, eligibility and operating requirements, spectrum availability, legal requirements, technical considerations, national security, law enforcement, foreign policy and trade issues. Under applicable laws and regulations, an application for transfer of control of the type at issue here would require an opportunity for public notice and comment. In evaluating any prospective applications by GDFS for transfer of control of the authorizations referenced above, the Commission would make a public interest determination based on the full record in the proceeding, including the contents of the application, any comments from the public and any subsequent information filed by GDFS.

Availability of global satellite services for the benefit of U.S. consumers is a key objective of Commission policy. The Commission, however, cannot prejudge the outcome of any prospective application for transfer of control. A final determination would be made following the filing of the proper application, the public has had an opportunity to comment on the record and the full record has been considered under the public interest standard.

Sincerely,



Thomas S. Tycz
Chief, Satellite and Radiocommunication Division



10 April 2000

Venture Partners
Mr. Eugene L. Curcio
President
1 World Trade Center
Long Beach, CA 90803

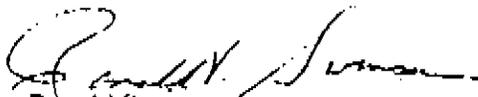
Dear Mr. Curcio:

Hughes Global Services is excited to hear of your plan to take over Iridium and continue operations. As you are aware, we currently are a leading provider of satellite communications, including Iridium, to the government. We expect that a number of government agencies that made investments in Iridium equipment and service will be pleased to hear that service can continue to be available in the near future. Additionally, we feel that other government users will begin to take advantage of the unique capabilities of Iridium once its future is assured.

We would be delighted to use our existing contract (GSA/FTS contract number GS00T1X)NSD0006) to continue to offer Iridium voice and data services as well as new applications to both previous and new government customers. In consideration, we expect to be the exclusive provider to the government of all Iridium equipment and services.

We are confident that this collaboration between Venture Partners and Hughes Global Services will provide much needed and high quality communications services to our global military and other federal government users. We look forward to concluding a formal agreement with you in the near future.

Sincerely,


Ronald Swanson
President

Hughes Global Services, Inc.
222 N. Sepulveda, 7th floor
Van Nuys, CA 91411

P.O. Box 82719, SC/580K300
Los Angeles, CA 90009

1. 888. HGS. 4263
310. 808. 9608 fax



Government Market Forecast for Planetel

9/19

	00	01	02	03	04	05
Cumulative expected phone and service subscription sales	5,000	10,000	20,000	32,500	45,000	57,500
- U.S. Department of Defense						
- U.S. Civil Government						
- International Military (includes secure services)						
Cumulative mobile data units & services		20,000	80,000	150,000	150,000	150,000
Projected voice revenue (\$M)	7.5	39.7	79.4	131.9	183.6	244.4
Projected data revenue (\$M)		21.8	69.0	88.9	27.0	27.0
Total projected revenue from government (\$M)	7.5	61.5	148.4	220.8	210.6	271.4

Forecast based on government estimates of phone acquisition and Planetel proposed pricing. Includes discounts for incremental outyear completion. Dip in 04 due to large data unit acquisition completion. This information is for planning purposes only and does not constitute a commitment on the part of Hughes Global Services.

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United States Department of Defense

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DEPARTMENT OF DEFENSE ANNOUNCES CONTRACT FOR IRIIDIUM COMMUNICATIONS SERVICES

The Department of Defense, through its Defense Information Systems Agency, last night awarded Iridium Satellite LLC of Arnold, Md., a \$72 million contract for 24 months of satellite communications services. This contract would provide unlimited airtime for 20,000 government users over the Iridium satellite network.

The contract includes options which, if exercised, would bring the cumulative value of this contract to \$252 million and extend the period of performance to December 2007.

The Department has taken this action because the Iridium system offers state-of-the-art technology. It features on-satellite signal processing and inter-satellite crosslinks allowing satellite-mode service to any open area on earth. It provides mobile, cryptographically secure telephone services to small handsets anywhere on the globe, pole-to-pole, 24 hours a day. The system and its DoD enhancements will provide handheld service currently not available.

Since the Navy has a requirement more than twice as large as the current capability, the Department of Defense needs the capacity Iridium uniquely offers small unit operations in areas without satellite constellation coverage or during periods when various assets are being used in other contingencies. Special Forces operations, combat search and rescue activities and polar communications will also be enhanced. Iridium will provide a unique resource to enhance DoD mobile satellite communications requirements.

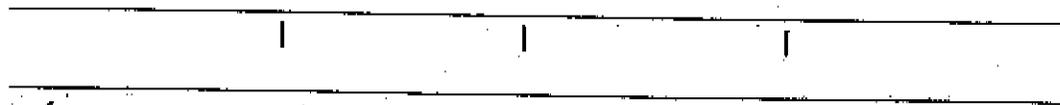
"Iridium will not only add to our existing capability, it will provide a commercial alternative to our purely military systems. This may enable real civil/military dual use, keep us closer to the leading edge technologically, and provide a real alternative for the future," said Dave Oliver, principal deputy undersecretary of

Updated: 06 Dec 2000

Defense (Acquisition, Technology and Logistics).

Iridium Satellite LLC is now purchasing the operating assets of Iridium LLC and its existing subsidiaries, pursuant to a Nov. 22, 2000 order of the U.S. Bankruptcy Court for the Southern District of New York. Under the agreement, Iridium Satellite LLC will purchase all of the existing assets of Iridium LLC, including its constellation of low-orbiting satellites and its satellite control network, and will have Boeing operate the system. The new "bulk rate" service agreement offered and accepted by the Department stands to provide the same critical augmentation capability at substantially cheaper rates.

Early next year, Iridium will offer a classified capability. Classified service will not only be provided for users already registered to the DoD gateway, but will also be extended to new users from DoD, other federal agencies, and selected allied governments.



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