

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

April 10, 2012

Mr. Lawrence Strickling  
Administrator  
National Telecommunications and Information Administration  
1401 Constitution Avenue NW  
Washington, DC 20230

Dear Administrator Strickling:

On February 14, 2012, the Federal Communications Commission (FCC) stated that it would move to revoke a waiver received by satellite company LightSquared to build a terrestrial telecommunications network. The FCC's statement cited tests coordinated by the National Telecommunications and Information Administration (NTIA) which showed that LightSquared's network could not co-exist and would cause "harmful interference to many GPS receivers."<sup>1</sup>

This decision capped a long and winding process which saw the Federal government conduct an extensive amount of testing in order to aid LightSquared's planned business model. In fact, Deputy Secretary of Transportation John Porcari testified before Congress that the Federal Aviation Administration alone spent \$2 million and that it was "quite unusual" for the Federal government to spend so much money to assist a single private company.<sup>2</sup> You also noted, in a letter to FCC Chairman Genachowski, that "federal agencies...have invested significant time and resources to identify and analyze proposed solutions to address the impact of LightSquared's planned network implementations."<sup>3</sup> It is our understanding that despite the extensive Federal funds spent evaluating and testing LightSquared's proposed network, the Federal government has not recouped much of the costs expended.

Currently, LightSquared's financial future has been the subject of much speculation. LightSquared recently laid-off 149 employees, 45% of its total workforce.<sup>4</sup> Harbinger Capital Partners, LightSquared's parent company has taken out a \$190 million loan at a 15% interest rate, close to three times the rate charged to the riskiest corporate borrowers.<sup>5</sup> And, LightSquared has missed a \$56.25 million payment to satellite company Inmarsat.<sup>6</sup>

Despite initial company denials, LightSquared has now reversed course and is "seriously considering" bankruptcy.<sup>7</sup> If LightSquared does indeed declare bankruptcy, our concern is that the Federal government will be unable to recoup the taxpayer dollars it has expended funding testing on LightSquared's network.

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<sup>1</sup> Letter from Deputy Secretary of Defense Ashton Carter and Deputy Secretary of Transportation John Porcari to Administrator Lawrence Strickling, January 13, 2012.

<sup>2</sup> Brendan Sasso, Transportation official: LightSquared 'not compatible' with flight-safety devices, The Hill, February 8, 2012.

<sup>3</sup> Letter from Administrator Lawrence Strickling to FCC Chairman Julius Genachowski, February 14, 2012.

<sup>4</sup> Scott Moritz, LightSquared to Cut 45% of Jobs to Trim Costs After U.S. Rejects Its Plans, Bloomberg, February 22, 2012.

<sup>5</sup> Tiffany Kary and Katherine Burton, Jeffries Loan Syndication Deal for Harbinger Fails if CEO Falcone Charged, February 15, 2012.

<sup>6</sup> Matthew Goldstein, Paul Sandle, LightSquared misses Inmarsat payment, February 20, 2012.

<sup>7</sup> Matthew Goldstein, Exclusive: Falcone mulls voluntary bankruptcy for LightSquared, April 5, 2012.

In order fully understand how much money the American taxpayer paid to support LightSquared's corporate plans and what actions the Administration intends to take to recoup those funds, please answer the following questions:

1. How much money was spent by the Federal government testing the terrestrial network proposed by LightSquared?
2. How many government employees were used to test the terrestrial network proposed by LightSquared?
3. Will the Federal government seek any reimbursement for these funds? If not, why not?
4. Has the FCC ever requested the NTIA to provide government resources without reimbursement to assist a single private company with its business plans?
  - a. If so, please list examples.
  - b. If not, please explain why not.

Thank you for your cooperation and attention in this matter. We would appreciate a response by April 19, 2012. If you have any questions, please contact Chris Lucas for Senator Grassley at (202) 224-5225 and Tim Morrison for Representative Turner at (202) 225-4151.

Sincerely,



CHARLES E. GRASSLEY  
Senator  
United States Senate



MICHAEL R. TURNER  
Chairman  
Subcommittee on Strategic Forces