

LightSquared, Inmarsat Renegotiate on Payment Deadline

Maisie Ramsay

LightSquared said late yesterday it was "renegotiating" its contract for the use of Inmarsat's L-Band spectrum as it works to slash expenses amid ongoing government opposition to the launch of its LTE network.

"Given the uncertainty regarding the potential use of the L-Band spectrum for deployment of a terrestrial 4G wireless network, LightSquared is currently renegotiating the terms of its cooperation agreement with Inmarsat," the company said in a statement, referring to the [FCC's decision](#) [1] to stop it from moving forward with its wholesale LTE service.

The announcement came the day before LightSquared was due to make another payment to Inmarsat.

Inmarsat warned investors Tuesday that it is "highly uncertain" that it will receive a payment from LightSquared that is due today.

"Although Inmarsat and LightSquared remain in discussions regarding the future of the Cooperation Agreement, as previously stated, Inmarsat cannot provide any assurance that these discussions will result in any further payments being received from LightSquared," Inmarsat said.

LightSquared did not say whether it had met the April 4 due date as it worked to hash out a new contract with Inmarsat. A new agreement is expected to be completed "in the next few weeks," it said.

It [already missed](#) [2] a \$56.25 million payment due in February, and Inmarsat said it missed a \$29.6 million payment due at the end of March. It has also [laid off](#) [3] 45 percent of its staff in an effort to conserve cash.

Inmarsat declined to comment beyond its Tuesday statement and said it "does not plan to make any further public statements with regard to non-payment events" from LightSquared.

LightSquared had agreed to pay Inmarsat \$337.5 million under [the first phase](#) [4] of the project, which gave it access to additional airwaves for its now-stalled mobile broadband network.

Inmarsat stood to glean an additional \$115 million per year under the second part of the plan, which went into effect in [January 2011](#) [5].

The FCC said in February it planned to revoke LightSquared's waiver for its service

LightSquared, Inmarsat Renegotiate on Payment Deadline

Published on Wireless Week (<http://www.wirelessweek.com>)

and suspend its ability to use satellite spectrum for ground-based wireless service, effectively killing its LTE plans. LightSquared has vowed to find a way to deploy but has yet to reach consensus with the government on a solution.

The decision was a huge blow for Philip Falcone, who staked his Harbinger Capital Partners hedge fund on the venture.

Source URL (retrieved on 06/12/2013 - 3:35pm):

<http://www.wirelessweek.com/news/2012/04/lightsquared-inmarsat-renegotiate-payment-deadline>

Links:

- [1] <http://wirelessweek.com/News/2012/02/Technology-End-of-the-Road-for-LightSquared-Wireless-Networks/>
- [2] <http://wirelessweek.com/News/2012/02/LightSquared-Misses-56M-Inmarsat-Payment-Business/>
- [3] <http://wirelessweek.com/News/2012/02/Business-More-Trouble-for-LightSquared-Layoffs-Reported-Jobs/>
- [4] <http://www.wirelessweek.com/News/2010/08/LightSquared-Inmarsat-Spectrum-Deal-Business/>
- [5] <http://wirelessweek.com/News/2011/01/LightSquared-Second-Inmarsat-Spectrum-Deal-Business/>