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Emails Show Wireless Firm's Communications with White House as Campaign Donations Were Made

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More than 300 pages of documents detail trail of LightSquared requests for meetings with White House officials, some citing friendships

Wireless firm LightSquared pressed its case for government approval of a new national broadband network in numerous contacts with presidential aides, at times citing its fundraising for Democratic causes and President Obama, White House emails show.

On the day that LightSquared CEO Sanjiv Ahuja made a \$30,400 contribution to the Democratic Party, two of his deputies appealed to the White House for meetings with top technology advisers to Obama, according to emails obtained by *iWatch News*.

"Hi Aneesh!" LightSquared representative Dave Kumar <u>wrote to Aneesh Chopra</u>, the president's chief technology adviser on Sept. 23, 2010. "I touched base with my client Sanjiv Ahuja and he expressed an interest in meeting with you...He is going to be in DC next week for a fundraising dinner with the President."

Earlier that same day, LightSquared lawyer Henry Goldberg <u>wrote to James Kohlenberger</u>, then chief of staff for the **White House Office of Science and Technology.** His email said:

"You may recall that you met with Sanjiv Ahuja about a year ago, with Phil Falcone of Harbinger, as Phil & Sanjiv were finalizing their plans for a new wireless broadband network...

"Sajiv will be at a fund-raiser dinner with the President on September 30 and would like to visit with you, perhaps Tom Kalil, and Aneesh Chopra, if at all possible."

Falcone, a New York hedge fund manager, is the principal owner of LightSquared and Ahuja its CEO. Kalil is deputy director for policy in the White House Office of Science and Technology Policy. Chopra is the White House Chief Technology Officer.

LightSquared won initial **Federal Communications Commission** approval for its broadband network despite concerns it could disrupt vital communications and navigation systems. The Virginia company drew on influential Washington lawyers and personal friendships, as it sought to set up meetings with key administration officials, as evidenced in emails and other records obtained by *iWatch News* through the **Freedom of Information Act.**

LightSquared promises to create thousands of jobs and provide broadband wireless service to more than 260 million Americans. But its critics contend that the \$14 billion venture could cripple Global Positioning Systems, or GPS, gear and threaten aviation safety, disrupt military and rescue operations—and even interfere with high-tech farming equipment and cell phones in certain parts of the country.

Terry Neal, LightSquared's senior vice president of communications, said White House officials routinely meet with firms such as his to discuss advances in technology.

"Because we are the only company on the horizon that can quickly help the federal government meet its stated objective of near universal wireless coverage for all Americans, it was natural that LightSquared have meetings with the administration. LightSquared's network promises to expand access to wireless broadband, increase competition in the marketplace, give consumers new choices, and, ultimately, lower prices. We acknowledge we wanted to discuss that with administration officials," Neal said in a statement.

Republicans in Congress have tried for months—without success—to probe the firm's contacts with administration officials, including FCC chief Julius Genachowski, an Obama campaign "bundler," whose agency has given conditional approval to LightSquared. The FCC chief is set to testify at a hearing Thursday before a House Armed Services subcommittee.

The FCC has promised it will compel the company to resolve the GPS interference issue before making a final decision.

300 pages of documents released

LightSquared's ties to major Democratic campaign contributors and Obama staff and supporters—and the large donations its majority owner Falcone has made to Democrats—were detailed by *iWatch News* in July. White House officials downplayed those ties and argued they have no sway over the FCC.

"The FCC is an independent agency with its own standards and procedures for reviewing these types of decisions and we respect that process," said White House spokesman Eric Schultz.

But emails and other records reveal that LightSquared's reach into the administration was more extensive than officials have acknowledged. The records also show that White House technology officials were advised of serious concerns among GPS proponents over the possible threat to air traffic control and other critical emergency responders.

Though White House officials redacted significant portions of more than 300 pages of emails and other records, the documents richly illustrate how big industries can power their way into government corridors in Washington.

After its initial lobbying, the company received a nod of support from the White House technology office as Falcone launched his ambitious plan.

On July 20, 2010, Goldberg emailed Kohlenberger a news release trumpeting LightSquared's launch with the note: "It's happening. Thanks for your help and encouragement. As we bolt together the network, we'll come in with details."

In response, Kohlenberger emailed back his congratulations, adding: "very exciting."

Company spokesman Neal said no specific "help and encouragement" had been requested other than assistance in setting up meetings with White House officials.

On Sept. 22, 2009, Falcone and LightSquared CEO Ahuja had met with Kohlenberger, then chief of staff for the Office of Science and Technology. Eight days later, Falcone and his wife Lisa each gave \$30,400 to the Democratic Senatorial Campaign Committee, the maximum allowed.

On Wednesday, Falcone told *iWatch News* by email that he made the 2009 contribution after "an approach" by New York Democratic Sen. Charles Schumer, adding that the donation had "absolutely nothing to do with LightSquared." Schumer's office did not return a call seeking comment.

LightSquared's representatives weren't shy about mentioning the firm's support for Obama as they tried to line up their meetings with the president's staff.

Kumar, a Washington lawyer representing the company, reached out to Chopra in the Sept. 23, 2010 email.

On that same day, campaign finance records show Ahuja gave \$30,400 to the Democratic National Committee. On Oct. 28, 2010, he gave the same amount to the National Republican Congressional Committee.

In the second exchange that same day, LightSquared attorney Goldberg wrote to Kohlenberger seeking meetings and noting that the CEO would be in Washington attending the Sept. 30 fundraiser with the president. Kohlenberger wrote back to Goldberg saying that he kept hearing "great things" about LightSquared and would try to set up a meeting.

LightSquared spokesman Neal acknowledged that Goldberg mentioned the fundraiser "to imply that Sanjiv was sympathetic to the president's program."

Obama attended the \$30,400-a-person fundraising dinner for the Democratic National Committee at the Washington home of a former White House health care aide on Sept. 30.

In at least one case, personal friendship appears to have greased the wheels. Monish Kundra, an investment banker with Columbia Capital who specializes in the wireless communications industry and once worked at LightSquared, sent an email on Jan. 2, 2011 to his "close friend," White House technology officer Chopra.

Kundra asked Chopra to meet with Drew Caplan, then a senior adviser to LightSquared. Chopra and Caplan set the meeting for Jan. 5, 2011, about three weeks before the FCC approval of the waiver, records show. Kundra could not be reached for comment.

Chopra sent emails to other government officials, inviting them to the meeting and noting he had set up the meeting "at the recommendation of a dear friend."

The White House did not release records indicating the agenda and in several cases redacted portions of emails and attachments.

The GPS issue

LightSquared didn't just press its case at the White House. CEO Ahuja met on Jan. 5, 2011 with Lawrence E. Strickling, Assistant Secretary for Communications and Information at the National Telecommunications and Information Administration. The agency helps assess possible harm to GPS.

In a letter sent to Strickling the day after the meeting, LightSquared CEO Ahuja stressed how important FCC approval was. He called it an "essential building block of our network that requires quick favorable action so that we may continue to roll out our network and meet the rigorous construction timetable that the FCC has made a condition of our authorization."

Ahuja committed up to \$20 million to fund a group of experts that would "consider both short-term and long-term technical solutions to the issue" of interference with the GPS systems.

But Strickling didn't appear mollified. In a letter on Jan. 12, 2011 to FCC chief Genachowski, Strickling said the LightSquared proposal "raises significant interference concerns that warrant full evaluation." He said the departments of Defense, Transportation and Homeland Security favored the FCC deferring action "until these interference concerns are satisfactorily addressed."

The FCC approved a "conditional waiver" on Jan. 26, adding that it wouldn't take final action until it was satisfied that "potential interference concerns regarding GPS" have been resolved.

But the decision has pitted GPS users, ranging from boaters to farmers and emergency responders, against the company. Both sides have jockeyed for political advantage and public sympathy in what's becoming an increasingly rancorous showdown.

Though LightSquared has suggested the GPS problem is exaggerated, at least one top government technology official sharply disagreed.

Peter L. Levin, the chief technology officer for the Department of Veterans Affairs, didn't mince words in an explicit warning he sent via email to White House technology official Chopra and two other senior White House aides on March 26, 2011. Levin described a "catastrophe" from GPS interference.

Levin attached a March 2011 PowerPoint slide presentation called "Unintended Consequences" by Stanford University Emeritus Professor Bradford Parkinson, a retired Air Force officer and expert in the field. In his presentation, Parkinson said LightSquared should bear the burden of proving that its transmitters would not cause interference with GPS and said officials should "withdraw or indefinitely postpone (a) decision" on the plan. He doubted such a fix was possible.

Parkinson ended with the comment: "We believe this is potentially a very serious embarrassment to the current administration."

Levin urged the White House officials to heed the professor's warnings: "The first tests, based upon what we do know, indicate catastrophe," Levin wrote. "We all share a common interest to protect national assets like GPS from deliberate intrusion, or in this case, unintentional and avoidable interference," he wrote.

Company spokesman Neal disputed Parkinson's findings, saying: "Testing has shown that there are fixes for every category of receiver, including highly sensitive precision receivers. "

On April 28, 2011 a meeting described in White House emails as the "Lightsquared interference meeting," was set at Jackson Place conference center, a short stroll from the White House. The names of the people invited are blacked out in the records released under FOIA. Holding meetings in the Jackson Place complex has drawn the ire of Republicans who argue that the Obama administration has done so to keep from having to disclose names—especially those of lobbyists—in the White House visitors' logs.

Sen. Charles Grassley, the ranking Republican on the Senate Judiciary Committee, has asked the FCC for a list of all contacts between LightSquared, Falcone, the White House and FCC.

"There's wide agreement that expanding broadband is a worthy goal. But the problems with the FCC's fast-tracking of LightSquared raises questions about whether the government is rushing a broadband project at the expense of all kinds of other things, including national security and everyone who uses GPS, from agriculture to emergency medical technicians," Grassley said in a statement to *iWatch News*.

"If the FCC would just release the documents I've requested on LightSquared, I'd have more confidence that the agency's handling of broadband expansion is in the best public interest," Grassley said.

LightSquared's roots go back more than a decade, when a broad group of investors anticipated the skyrocketing demand for wireless communication and broadband coverage, and acquired FCC licenses for slices of radio spectrum. Over the years, the corporate structure underwent many changes, with investors joining or dropping out, and companies merging and changing names.

LightSquared pleaded its case at a Sept. 8 hearing of the **House Committee on Science**, **Space and Technology**.

Jeffrey Carlisle, a LightSquared executive vice president, in written testimony said that LightSquared expects to invest \$14 billion over the next eight years to build a nationwide wireless broadband network.

The investment promises over 15,000 jobs a year for each of the five years that it will take to build the network, which hesaid would provide fast wireless broadband service to more than 260 million people.

"LightSquared's network promises to increase competition in the marketplace, give consumers new choices, broaden access to broadband, increase public safety and emergency response, and, ultimately, lower prices," Carlisle said.

The administration remains fully behind broadband. Buried deep in the \$450 billion jobs plan President Obama outlined in speech to Congress on Sept. 8 is \$10 billion to pay for a massive expansion of broadband internet service.

LightSquared says all it wants is an impartial and honest evaluation of its plans from regulators and politicians. "The idea that we are trying to get politics to trump technology here is ridiculous," said Neal, the company's spokesman.

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