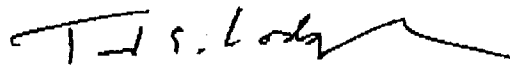


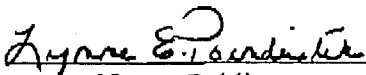
offer services comparable to the ones provided with respect to DIRECTV. Thus, in order to discourage any such movement at this critical time, I believe that it is necessary to implement the Employee Retention Plan. Simply put, the Debtors cannot afford to lose any of their key personnel at this critical time.

19. Moreover, I believe that the Employee Retention Plan is vital to their continued viability and preserving the value of these estates. In the judgment of the Debtors and Hewitt, the proposed Employee Retention Plan, if approved, will serve multiple objectives including (i) providing retention incentives that should protect the Debtors from the potentially crippling loss of the management employees by rewarding such employees for continuing to work during such challenging times for the Debtors, and (ii) providing a degree of severance protection so that the Debtors' management employees can devote their full attention and energy towards restructuring efforts without fear of impending, uncompensated dismissal. I respectfully submit that implementing a program that achieves these objectives is unquestionably in the best interest of the Debtors' estates.



TED S. LODGE
President, Chief Operating Officer and Counsel
Pegasus Satellite Communications, Inc.

Sworn to and subscribed before me
this 25th day of June, 2004.


Notary Public

