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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Via Hand Delivery

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W. - Room 222
Washington, D.C. 20554

Re: **EX PARTE**
ET Docket No. 95-18/RM-7927; PP-28

Dear Ms. Salas:

We write on behalf of the undersigned Mobile Satellite Services ("MSS") Ad Hoc Industry Group ("Industry Group") members to urge the Commission to reverse its decision to require mobile satellite service ("MSS") providers to pay the costs to relocate incumbent users in the 2 GHz MSS spectrum band.¹ As set forth in the FCC's March 1997 2 GHz MSS allocation order ("2 GHz Order"),² MSS operators would be required to bear the cost of relocating: (1) broadcast auxiliary services ("BAS") licensees located in the MSS uplink band at 1990-2025 MHz; and (2) where sharing is not possible, fixed services ("FS") operators located in the MSS downlink band at 2165-2200.³ The development of MSS will be seriously impaired if MSS

¹ The Industry Group consists of applicants in the Commission's 2 GHz mobile satellite service ("MSS") initial processing round and several business partners of certain applicants. Participating members of the Industry Group include: Celsat America, Inc.; COMSAT Corporation; Constellation Communications, Inc.; Globalstar, L.P.; Hughes Electronics Corporation; ICO Global Communications Services, Inc.; Inmarsat and Mobile Communications Holdings, Inc.

Celsat notes, as it has in previous FCC rulemaking proceedings, that it can operate in the 1990-2025 MHz and 2165-2200 MHz bands without causing harmful interference either to broadcast auxiliary service ("BAS") facilities/electronic newsgathering ("ENG") equipment or fixed services ("FS") facilities. (Other applicants in this proceeding have not reached Celsat's conclusion.)

² Amendment of Section 2.106 of the Commission's Rules to Allocate Spectrum at 2 GHz for Use by the Mobile Satellite Service, 12 FCC Rcd 7388, 7402 (1997) ("2 GHz Order").

³ 2 GHz Order at 7401-02, 7407. The Balanced Budget Act of 1997 requirement that the Commission auction the 2110-2150 MHz frequency band, in which many fixed incumbents are paired with fixed service links in the 2165-2200 MHz frequency band, should relieve MSS

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operators are forced to bear the significant relocation expenses contemplated by the Commission's proposal. Moreover, the imposition of relocation expenses on MSS operators likely will create a cascading effect in other countries, to the detriment of both U.S. licensed and non-U.S. MSS operators.

The Commission's stated policy for BAS and FS relocation in its 2 GHz Order presents 2 GHz applicants with unknown and potentially devastating relocation costs. This relocation policy, rather than mitigating hardships of a handful of incumbents, would constitute a windfall of potentially huge proportions.

In the case of the BAS licensees, for example, the Commission proposes that MSS providers incur the full costs to relocate these incumbent operators even though (1) many BAS licensees are expected to convert to digital electronic newsgathering ("ENG") equipment in any event, and (2) likely are using fully depreciated analog ENG equipment. Essentially, the Commission's current approach to BAS relocation provides no incentives for incumbent BAS operators to use spectrum effectively or efficiently. For example, recent filings submitted to the Commission by Nucomm, Inc. and COMSAT demonstrate that broadcasters' capacity requirements for seven TV analog channels within the 2 GHz band actually can be met with 70 MHz of spectrum using available off-the-shelf digital technology, while achieving comparable quality to analog ENG using 8.5 MHz digital ENG channels.⁴

In sum, the Industry Group urges the FCC to reconsider its relocation policies for the emerging MSS systems accessing 2 GHz spectrum frequencies. The Commission's proposed policies run counter to the public interest because the proposed relocation requirements would lead to higher prices, reduced competition, delay in introduction of a new technology and the imposition of similar relocation burdens on both U.S. and non-U.S. MSS operators in other countries.

providers from any obligation to pay for relocating such paired frequency operations. Moreover, individual applicant members of the Industry Group also are members of the Joint Working Group under the auspices of the Telecommunications Industry Association ("TIA") that has been exploring MSS sharing capabilities with FS licensees.

⁴ Broadcast licensees currently provide analog ENG services in the 1990-2110 MHz frequency band but must vacate the 1990-2025 MHz frequencies to allow for MSS operations. The broadcasters thus would have up to 85 MHz of spectrum to continue operations. Ex Parte of Nucomm, Inc., ET Docket No. 95-18, RM-7927, PP-28 (Feb. 11, 1998); "Digital Video Microwave Systems for STL and ENG Applications & Test Results"; Ex Parte of COMSAT Corp., ET Docket No. 95-18, RM-7927, PP-28 (Mar. 18, 1998); "Digital ENG Tests Using NoiseCom Microwave Emulator Performed by COMSAT Laboratories, Clarksburg, Maryland;" Ex Parte of Diana Choi, ET Docket No. 95-18, RM-7927, PP-28 (Apr. 24, 1998); "Digital ENG Equipment Survey Summary."

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Two copies of this letter have been submitted to the Secretary of the Commission for inclusion in the public record, as required by Section 1.1206(b)(1) of the Commission's rules.

Very truly yours,

Antoinette Bush/sjl
Celsat America, Inc.

Bruce A. Benock/sjl
COMSAT Corporation

Bruce Kraselsky/sjl
Constellation Communications, Inc.

William F. Adler/sjl
Globalstar, L.P.

Loretta Dunn/sjl
Hughes Electronics Corporation

Francis D. R. Coleman/sjl
ICO Global Communications
Services, Inc.

Donald M. Kennedy/sjl
Inmarsat

Gill Aberhouse Stern/sjl
Mobile Communications Holdings, Inc.

cc: Chairman William E. Kennard
Commissioner Harold Furchtgott-Roth
Commissioner Michael Powell
Commissioner Gloria Tristani
Commissioner Susan Ness
Richard Smith
Bruce Franca
Dale Hatfield
Roy Stewart
Daniel Phythyon
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