



EX PARTE OR LATE FILED

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EX PARTE

RECEIVED

February 12, 1999

FEB 12 1999

VIA HAND DELIVERY

Magalie Salas, Esquire
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: EX PARTE Presentation in:

ET Docket No. 95-18
IB Docket No. 96-132 ✓
ICO Services Limited (File No. 188-SAT-LOI-97)
Inmarsat Horizons (File No. 190-SAT-LOI-97)
Iridium, LLC (File No. 187-SAT-P/LA-97 (96))
Globalstar, L.P. (File No. 182-SAT-P/LA-97 (64) & 183 - 186-SAT-P/LA-97)
Mobile Communications Holdings, Inc. (File No. 180-SAT-P/LA-97 (26))
Constellation Communications, Inc. (File No. 181-SAT-P/LA-97)(46)
TMI Communications and Company, L.P. (File No. 189-SAT-LOI-97).
The Boeing Company (File No. 179-SAT-P/LA-97(16) & 90-SAT-AMEND-98)
Celsat, Inc. (File No. 26/27/28-DSS-P/LA-97 & 88-SAT-AMEND-98)

Dear Ms. Salas:

Pursuant to Section 1.1206 of the Commission's Rules, you are hereby advised that Patricia A. Mahoney and Charles Rush of Iridium LLC met with Daniel Connors of the Office of Commissioner Susan Ness (and the International Bureau) yesterday. That meeting included a discussion of options proposed by the International Bureau for assignment of spectrum to applicants in the 2 GHz Mobile Satellite Service ("MSS").



The meeting addressed the options outlined by the International Bureau in a January 7, 1999 meeting with representatives of all of the 2 GHz MSS applicants. Iridium expressed its overriding concern that none of the options addresses the issue of how the entities that receive their space segment licenses from the U.S. (under any of the options) will be able to access 2 GHz spectrum in Europe. Iridium distributed documents that summarize the options outlined by the International Bureau and contrasted them to the European 2 GHz MSS band plan. These documents illustrate that no US-licensed 2 GHz MSS system will be able to access spectrum in the 2 GHz bands in Europe until at least the year 2005, which will have an adverse impact on the competitive market in the U.S. Iridium also distributed a copy of the recent Telecommunications Services Group Communiqué from the TransAtlantic Business Dialogue ("TABD") Charlotte Conference and discussed the urgent need for the FCC to address this issue with Europe through the formal harmonization process requested in the TABD Communiqué for GMPCS radio frequency assignments "to enable a fair competitive environment."

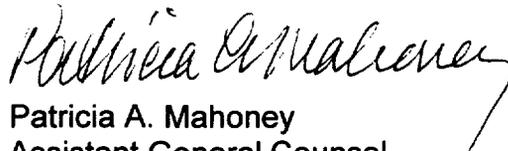
Iridium also urged the Commission to look beyond the 2 GHz bands and consider other MSS spectrum, including spectrum at issue in IB Docket No. 96-132, to accommodate all applicants and ensure a fair and competitive environment in which like MSS systems have access to like amounts of spectrum between 1 and 3 GHz.

Copies of this memorandum, and copies of the documents that were provided to Mr. Connors, are being submitted for each docket and application file number noted above.

Should any questions arise concerning this matter, please communicate directly with the undersigned.

Very truly yours,

IRIDIUM LLC



Patricia A. Mahoney
Assistant General Counsel
Regulatory and Trade Policy

Enclosure

cc (w/ encl): Regina M. Keeney
Thomas S. Tycz
Daniel Connors

THE 2 GHZ MSS BAND PLAN ADOPTED IN EUROPE

- ◆ Required entities that want to use the 2 GHz band in Europe to have a fully operating system in these bands by January 1, 2001
- ◆ Addressed spectrum in the 1980-2010 MHz/2170-2200 MHz bands
 - Divides bands into two 15 MHz paired bands
 - **Upper Half 1995-2010/2185-2200 MHz assigned to ICO and Inmarsat Horizons**
 - **Existing users to vacate by January 1, 2000**
 - **Lower Half 1980-1995/2170-2185 MHz use "to be decided" (not necessarily to be used for MSS)**
 - **Existing users not required to vacate until January 1, 2005**

Transatlantic Business Dialogue Charlotte Conference

Telecommunications Services Group Communiqué

The U.S. and EU business communities strongly urge the U.S. and EU administrations to work together to actively promote the liberalization process in the future international telecommunications services marketplace. Only continuing liberalization will resolve the existing issues regarding the implementation of the WTO Basic Telecom Agreement, reform of the accounting rate system, convergence of markets and services, and access to markets and spectrum for satellites. The move from 'regulatory push' to 'market pull' is of major importance for a dynamic telecommunications market with high quality services and low user prices.

1. To facilitate trade and simplify cross-border traffic, fast and far-reaching implementation of the **WTO Telecom Basic Services Agreement** is vitally necessary, including the elimination of remaining arbitrary and artificial barriers to entry. An equally important goal should be the accession by countries not yet covered by the Agreement, among which are a number of key telecommunications markets. In the course of the **GATS 2000** negotiations further strengthening of commitments under the Telecom Basic Services Agreement should be a priority objective.
2. Ongoing efforts to reform the **accounting rate system** towards cost-orientation, transparency, and non-discrimination, as well as to develop means to assist developing countries in a smooth transition to a competitive marketplace, must be supported.
3. Converging markets should be governed by market forces only. International cooperation concerning **convergence** is desirable to eliminate regulatory barriers.
4. For the governments of the United States and the European Union to facilitate the early **implementation of GMPCS systems** by (1) establishing transparent and non-discriminatory regulatory arrangements that minimize the burden of market and spectrum access; (2) establishing a formal harmonization process for radio frequency assignments to enable a fair competitive environment; and (3) ensuring that the costs of service and spectrum licenses are based on recovery of administrative costs.

November 7, 1998



Comments on FCC Preliminary Views on 2 GHz Licensing Options

January 1999

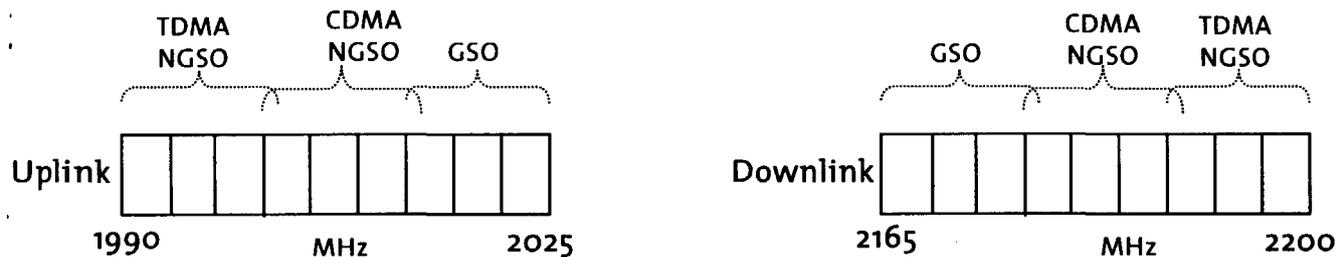


Current FCC Options on 2 GHz MSS Spectrum Allocation

- **Option 1 - Traditional Band Arrangement**
- **Option 2 - Flexible Band Arrangement**
- **Option 3 - Post-licensing Coordination Approach**
- **Option 4 - Competitive Bidding**

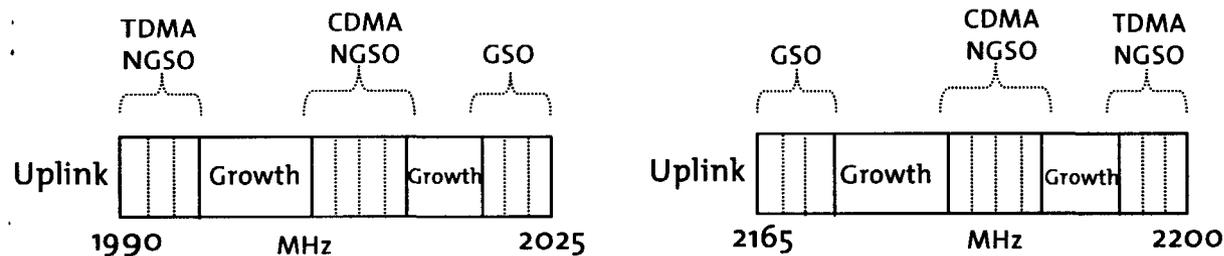


Option 1 - Traditional Band Arrangement



- Under this option each of the nine applicants would receive 2x3.75 MHz of spectrum
 - Spectrum for CDMA applicants would be grouped to allow contiguous CDMA spectrum
 - GSO applicants would be put into Region 2 only spectrum
 - Joint TDMA/CDMA applicants (Iridium and Globalstar) would need to state how much of their 2x3.75 MHz would be TDMA and how much would be CDMA

Option 2 - Flexible Band Arrangement



- Under this option each applicant would initially receive 2x2.5 MHz in “core bands” - additional “growth” spectrum can be obtained as need is established by individual provider
 - Spectrum for CDMA applicants would be grouped to allow contiguous CDMA core spectrum
 - GSO applicants would be put into Region 2 only core spectrum
 - Joint TDMA/CDMA applicants (Iridium and Globalstar) must decide on proportions



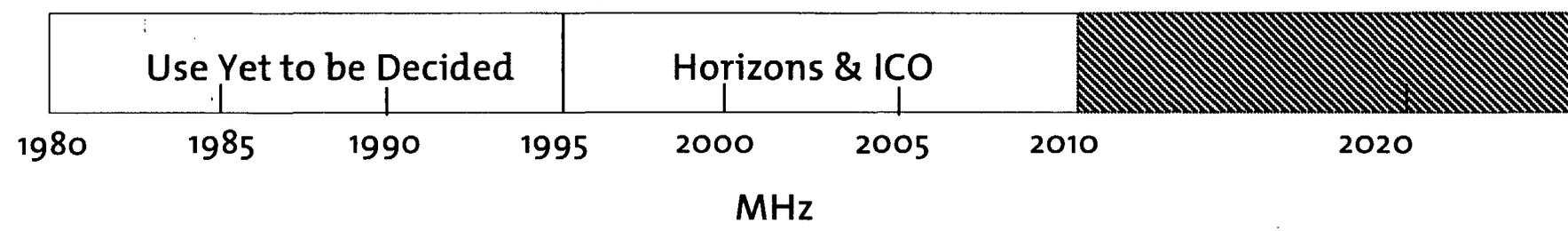
Option 3 - Post-licensing Coordination and Option 4 - Competitive Bidding

- **Post-licensing Coordination**
 - Each applicant would be authorized to operate across the entire 2x35 MHz in the US and would coordinate the usage of the band much like the current Inmarsat coordination process.
- **Competitive Bidding**
 - Basic idea would be to breakup up the 2 GHz MSS spectrum into 28 2.5 MHz blocks and auction each.

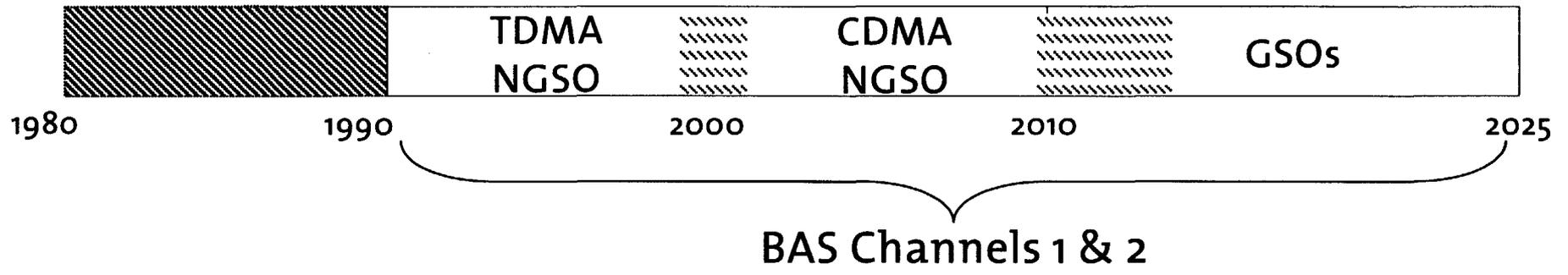


2 GHz MSS Uplink Band Assignments - Illustration

European Band Plan



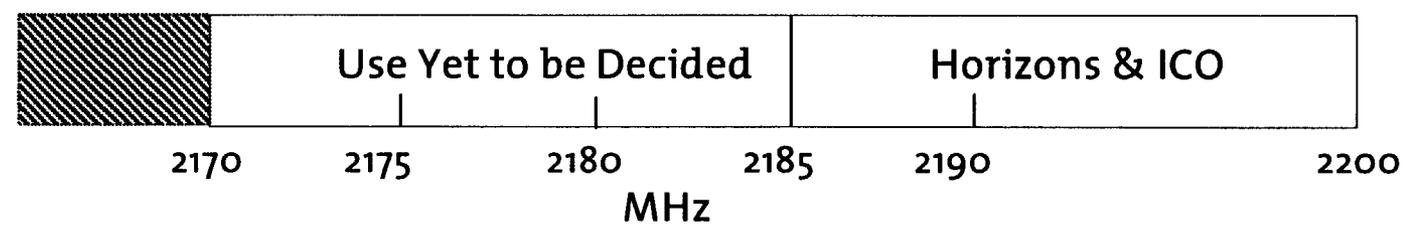
FCC Options 1 & 2



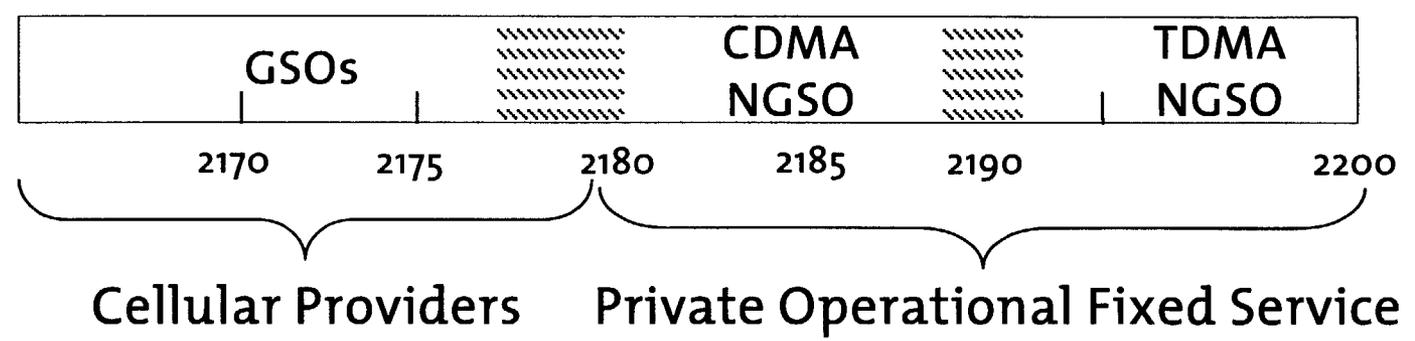


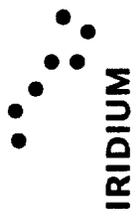
2 GHz MSS Downlink Band Assignments - Illustration

European Band Plan



FCC Options 1 & 2





Industry-driven Global MSS Band Plan

FALL 1998



Purpose of Band Plan

To bring about a fair competitive environment by establishing an industry-driven global MSS frequency coordination process that provides for equitable access to spectrum.



Current Situation

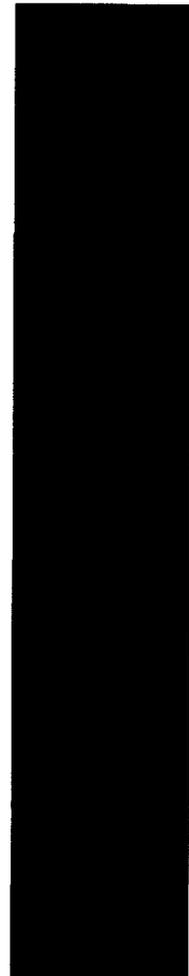
Disproportionate control of global MSS spectrum by IGOs and affiliates

Assignment of MSS spectrum not market driven and stifles competition



Current Control of Global MSS Spectrum Between 1-3 GHz

CEPT
Band
Plan
at 2 GHz



Control of Spectrum

Inmarsat/ICO - 75%

CDMA Big LEO - 21%

Iridium - 4%

ICO enjoys
5-to-1 spectrum
advantage over
Iridium!!



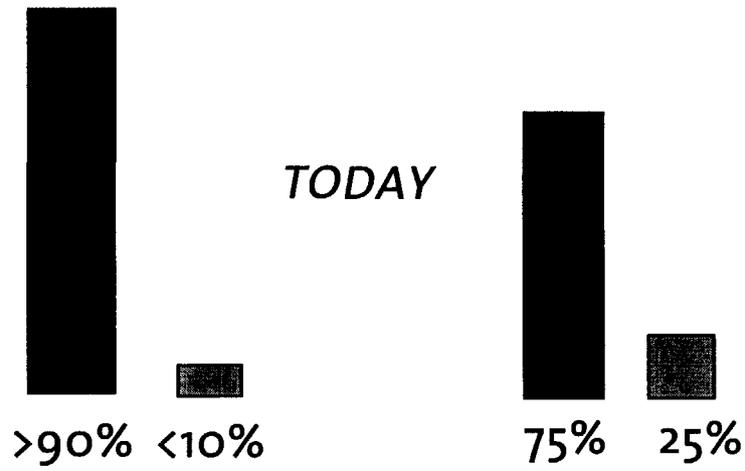


MSS Market Share and Spectrum Trend

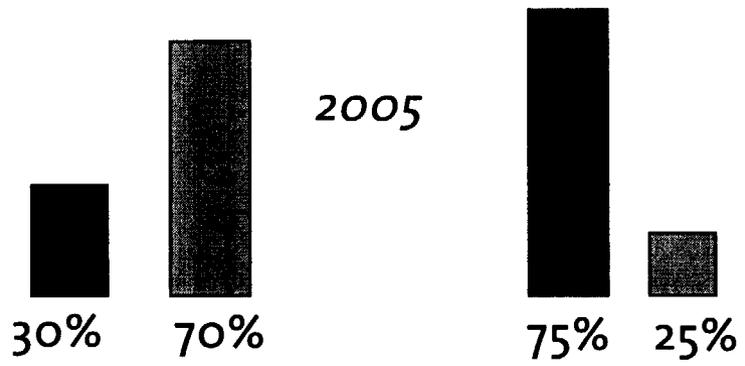
MARKET SHARE

CONTROL of GLOBAL MSS SPECTRUM

TODAY



2005



 Inmarsat & ICO
 US 1st Generation Big LEOs



**Current FCC 2 GHz licensing proceeding
is not likely to create global solution**

Limited spectrum available at 2 GHz for global MSS
systems

CEPT band plan effectively blocks access to 2 GHz
spectrum by any US MSS system prior to 2005

FCC 2 GHz proceeding will be long and contentious and
is not likely to result in equitable spectrum
arrangements for all credible applicants



The timing is right to pursue a more equitable MSS frequency band plan

- **Privatization**
 - Inmarsat - controlling the largest amount of MSS spectrum - will be privatized by mid-1999
- **Licensing**
 - FCC MSS ongoing licensing processes
 - CEPT MSS band plan and milestone review
- **EU-US Harmonization**
 - Recent TABD communiqué called on US and EU governments to establish “...a formal harmonization process for radio frequency assignments to enable a fair competitive environment...”



Spectrum Assignment Principles

- Mobile satellite services will continue to be provided for the foreseeable future by regional and global system operators
- Access to spectrum is the key element for market entry and competition in radio-based telecommunications services
- Industry-led efforts with support from regulators are the best way to accomplish fair and equitable access to spectrum worldwide
- Transitional arrangements are needed to assure access to spectrum for current MSS systems expected to continue operations through 2005 and beyond



Industry- driven MSS band plan will result in frequency use consistent with market forces

Circa 2005 MSS systems can be accommodated in current 1.5/1.6 GHz, Big LEO and 2 GHz MSS bands

MSS systems are being designed and built that are more spectrally efficient

Lead time available to obtain MSS spectrum for systems coming into operation post 2005

AMSS will not be adversely impacted



Next Steps

Support of major MSS industry participants

Regulator support for Band Plan