

# Donaldson, Lufkin & Jenrette

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March 5, 1999

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Re: EX PARTE  
ET Docket No. 95-18 ✓  
RM-9328

Dear Ms. Salas:

We have represented ICO Global Communications with respect to equity and debt capital raising. In addition, we have represented or acted as underwriter for a number of other early stage satellite companies, including EchoStar Communications Corporation, Globalstar, Iridium and Pan AmSat. We have raised over \$15 billion in over 40 equity and debt transactions for satellite companies since 1993, a portion of which was for companies that had not yet received frequency assignments from the FCC.

It has come to our attention that in the course of considering the various licensing and service rule options at issue in various satellite service rules proceedings, the Commission staff has expressed an interest in better understanding the level of certainty investment banks generally require regarding a satellite operator's assured access to spectrum before they are willing to provide a satellite operator with financing directly or to assist such an operator in obtaining financing (i.e., by underwriting securities or debt offerings). In other words, as we understand it, the Commission staff wishes to know whether an investment bank would require a satellite operator to have a specific frequency assignment from the FCC before it would provide financing or assist the operator in obtaining financing. We take this opportunity to provide the Commission with our bank's response to its question.

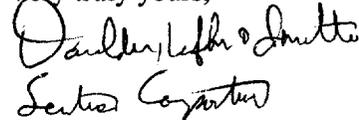
In consideration whether to offer financing to any satellite operator that hopes to provide satellite service, or to assist that operator in obtaining financing, we generally do not require the operator to have government assurances that it will have access to specific spectrum frequencies as a precondition for financing or assistance in obtaining financing. Rather, if a satellite operator can demonstrate that it has a reasonable likelihood of access to an amount of spectrum sufficient to operate its proposed satellite system and that its system can operate across the frequency band

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assigned to the service at issue, we generally would provide financing to that operator or assist that operator in obtaining financing. We caution, of course, that any undertaking on the part of any investment bank to finance any satellite operator also would require that the enterprise is viable in all other relevant respects, e.g., among other things, a sound commercial business plan including, in many cases, existing sources of equity financing, and competent management.

We hope our views with respect to this issue are of assistance to the Commission. Two originals and 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)(2) of the Commission's rules.

Very truly yours,



Donaldson, Lufkin & Jenrette  
Securities Corporation

cc: Tom Tycz  
Chris Murphy  
Ron Repasi  
Karl Kensinger  
Howard Griboff  
Alex Roytblat