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October 13, 1999

BY HAND DELIVERY

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

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OFFICE OF THE SECRETARY

Re: Notice of Ex Parte Presentation:
IB Docket No. 98-172, RM-9005, RM-9118

Dear Ms. Salas:

Pursuant to Section 1.1206(b) of the Commission's rules, Hughes Network Systems and Hughes Communications, Inc. (together "Hughes") hereby submit this notice of an ex parte presentation.

Yesterday, Joslyn Read of Hughes Network Systems, Vu Phan of Hughes Communications, Inc., John Janka of Latham & Watkins and the undersigned met with the representatives of the Commission's International Bureau identified below and discussed matters raised in Hughes's Comments and Reply Comments filed in the above-referenced proceeding. In addition, Hughes distributed the enclosed materials.

The International Bureau was represented at the meeting by Richard Engelman, Ronald Repasi, Karl Kensinger, and Steven Selwyn.

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Copies of this Notice of Ex Parte Presentation have been provided to the Commission representatives identified above. An original and one copy are enclosed.

Respectfully submitted,

Arthur S. Landerholm
of LATHAM & WATKINS

cc: Richard B. Engelman
Ronald T. Repasi
Karl Kensinger
Steven D. Selwyn

HUGHES SPACEWAY™

October 12, 1999

Spaceway: First Committed Broadband System

- Spaceway: first to file and first to fund, will be the first to provide service
  - $1.4B committed for the initial phase
  - Launch of North American satellite in 2002
- Key element of the 28 GHz Band Plan compromise was 1 GHz for ubiquitous GSO FSS satellite terminals
- Hughes has proceeded in reliance on that plan

Spaceway: Ubiquitous, Affordable Broadband

- Designed for ubiquitous service to 26" antennas
  - Spaceway does not use "gateways"
- Spaceway is designed to serve <u>all</u> users--rural/urban, large/small business, home
  - Spaceway North America covers all rural areas and tribal lands
- 1 GHz of spectrum is critical for competitiveness with terrestrial broadband

Spectrum = Capacity

- Capacity is critical for competitiveness
- Spaceway must compete with terrestrial providers on price, speed, services and capacity
- Development and "up front" costs are tremendous
- Infrastructure costs must be spread over large customer base to ensure low prices
- 1 GHz needed to provide capacity to serve a broad customer base

Spaceway Needs 1 GHz of Spectrum for Small Terminals

- 28 GHz Rulemaking recognized need for 1 GHz of spectrum for GSO FSS small terminals
- 18 GHz NPRM proposal impairs **50%** of the Spaceway bandwidth
  - 250 MHz of shared "gateway" D/L spectrum is unusable
- NPRM proposal unfairly penalizes only users of GSO FSS
  - Increases prices to consumers and reduces system capacity
- 1 GHz of uplink and downlink spectrum is available for ubiquitous GSO FSS terminals

Other Ka band Issues

- GSO/NGSO Sharing
  - 28 GHz Band Plan is based on GSO/NGSO segmentation
  - Spaceway is moving forward in reliance on the Band Plan
  - If GSO band is opened up to NGSOs, NGSO band should be opened to GSOs (*i.e.,* pfd limits on NGSOs)
- Blanket Licensing

Summary of Key Issues for Spaceway

- Spaceway needs 1 GHz of spectrum for small terminals
  - Key element of the 28 GHz Band Plan compromise was 1 GHz for ubiquitous GSO FSS satellite terminals
  - 1 GHz is necessary to ensure that prices are low and that service availability is broad for high-speed service
  - 18 GHz NPRM proposal impairs 50% of the Spaceway bandwidth
- Spaceway needs blanket licensing in the full 1 GHz