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April 13, 2000

Via Hand Delivery

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th St., S.W., Room TW-B204
Washington, D.C. 20554

Re: Ex Parte File Nos. ET Docket No. 98-206
48-SAT-P/LA-97, 89-SAT-AMEND-97,
130-SAT-AMEND-98

Dear Madam Secretary:

This letter is submitted on behalf of SkyBridge LLC ("SkyBridge"), in response to letters filed on March 23 and March 28, 2000, by Northpoint Technology, Inc. ("Northpoint").^{1/} The March 23 Letter attempts to provide some justification for Northpoint's claim that it needs access to 500 MHz of spectrum (although it continues to fail to offer a credible explanation as to why that 500 MHz must be in the 12.2-12.7 GHz band). The March 28 Letter attempts to compare the capacity and capabilities of its proposed one-way terrestrial system to a high-speed, fully interactive broadband satellite system such as SkyBridge.

Based on a rather simplistic (and inaccurate) manipulation of data, Northpoint's March 28 Letter concludes that nongeostationary orbit ("NGSO") satellite systems only have the capacity to serve less than 6% of U.S. households. Therefore, according to Northpoint, its proposed service must be licensed in the 12.2-12.7 GHz band, in order that the other 94% of the population are able to receive service. Even assuming arguendo that Northpoint's "market share" analysis was

^{1/} Letter to Magalie Roman Salas, Secretary, from Antoinette Cook Bush, dated March 23, 2000 ("March 23 Letter"); Letter to Ms. Magalie Roman Salas, Secretary, from Sophia Collier, dated March 28, 2000 ("March 28 Letter").

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Magalie Roman Salas, Secretary

April 13, 2000

remotely accurate or relevant, its claims reveal a complete lack of understanding of both the purpose and capabilities of a broadband low earth orbit ("LEO") satellite system such as that proposed by SkyBridge, particularly as compared to the capacity and capabilities of the proposed Northpoint system.^{2/}

Taking all of Northpoint's varied (and sometimes contradictory) service proposals at face value, Northpoint would provide some mix of local television channels, cable-type video entertainment channels (HBO, etc.), and perhaps even some data services. Of course, all of these services will be one-way, unless the Northpoint subscriber wants to use his telephone line as a return link; in essence, there will be no practical real-time interactive capability.

Moreover, unless it abandons most, if not all, of its proposed television/video entertainment services, Northpoint will not be capable of providing a significant amount of even one-way high-speed broadband services. Indeed, Northpoint admits as much in its March 23 Letter, in which it cites to the general trend of increasing capacity of cable systems. Northpoint offers these observations in support of the proposition that it needs access to 500 MHz of spectrum to be competitive with cable. However, what Northpoint actually demonstrates is that its claim that it will be a viable competitor to cable -- even with access to 500 MHz -- cannot withstand even mild scrutiny. The cable systems cited by Northpoint are rapidly adding capacity in order to convert their one-way video entertainment systems to two-way broadband/video systems. There simply is no way for Northpoint's one-way technology to compete with these systems, regardless of its eventual bandwidth.

The common thread that runs through both Northpoint's March 23 and March 28 Letters is a failure to recognize the difference between its essentially one-way "broadcast" service, which dedicates all available bandwidth to "downstream" transmission, and a true two-way service, that requires a broad (albeit asymmetric) high-speed return path to ensure full, real-time interactive capability. In brief,

^{2/} Northpoint also attempts in the March 28 Letter to revive its claim that the burden of eliminating the large exclusion zones that it admits its system would create should fall exclusively on NGSO systems, and that these systems can easily implement a variety of solutions previously "recommended" by Northpoint. See March 28 Letter at 1 n.2. As has repeatedly been demonstrated, Northpoint's proposed "solutions" are technically and financially absurd, and its underlying legal premise (that the burden should fall exclusively on the satellite systems) is without support. See Letter to Magalie Roman Salas, Secretary, from Jeffrey H. Olson, Attorney for SkyBridge LLC, dated February 10, 2000 (Slides 7-16) ("February 10 Letter"); Letter to Magalie Roman Salas, Secretary, from Phillip L. Spector, Attorney for SkyBridge LLC, dated February 18, 2000 (Annex at 22-28) ("February 18 Letter") (collectively, "SkyBridge Letters").

Magalie Roman Salas, Secretary
April 13, 2000

Northpoint's claim that it can fill the "enormous void" created by NGSO systems' alleged inability to serve more than 6% of the population simply lacks credibility.

Whatever "void" Northpoint may be capable of filling -- and the answer to that question is not at all clear -- two points are beyond peradventure: (1) the one-way Northpoint system will not -- cannot -- provide true advanced telecommunications service; and (2) its terrestrial service will be limited to urban and suburban areas. Whatever services Northpoint might offer, it will not be capable of providing the advanced telecommunications services to rural America that were deemed critical by Congress and the Commission under Section 706 of the Communications Act. Northpoint should not be permitted to interfere with NGSO systems, such as SkyBridge's, that can and will meet this essential national goal.^{3/}

The Commission already has found that satellite systems provide the best opportunity for the delivery of advanced telecommunications services to non-urban areas and that LEO systems, such as SkyBridge, are best suited to provide fully interactive services.^{4/} SkyBridge is committed to delivering such services to every corner of the United States within the first year of its operation. However, as SkyBridge has demonstrated, Northpoint's entry into the 12.2-12.7 GHz band -- in the absence of a rule strictly limiting to a very low level the amount of power that a Northpoint transmitter would be allowed to generate into a SkyBridge user terminal -- will directly put at risk SkyBridge's ability to meet that commitment.^{5/}

Northpoint, on the other hand, has offered only a continually shifting series of claims and service proposals to the Commission, some of which are self-contradictory, most of which do not withstand even minimal scrutiny. It is difficult to construct a public interest rationale that supports the sacrifice of progress toward the goal of Section 706 in return for the chimerical promises of Northpoint.

^{3/} Northpoint continues to characterize its presence in the 12.2-12.7 GHz band as a zero-sum game. It is not. If Northpoint is not permitted to operate in this band, consumers need not go without Northpoint service. There are a number of other frequency bands which, as SkyBridge repeatedly has demonstrated, are specifically allocated for the provision of advanced telecommunications services, including critical two-way capacity.

^{4/} Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, 14 FCC Rcd 2398, 2434-25, nn.109, 111 (1999).

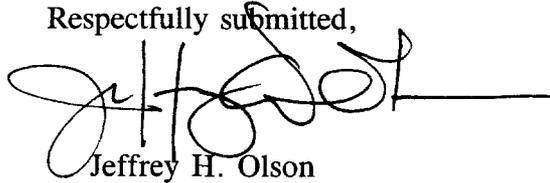
^{5/} See SkyBridge Letters.

Magalie Roman Salas, Secretary

April 13, 2000

If there are any questions regarding this matter, please contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeffrey H. Olson', with a long horizontal line extending to the right.

Jeffrey H. Olson
Attorney for SkyBridge L.P.

cc: Ari Fitzgerald
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