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VIA HAND DELIVERY

Magalie Roman Salas, Secretary  
 Federal Communications Commission  
 The Portals, 12<sup>th</sup> Street Lobby  
 445 12th St., SW, Counter TW-A325  
 Washington, DC 20554

RECEIVED

JUN 12 2001

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Ex Parte Presentation  
IB Docket No. 99-81

Dear Ms. Salas:

On Monday, June 11, 2001, David Otten, Chairman & CEO of Celsat America, Inc. ("Celsat"), Toni Cook Bush and I met with Commissioner Copps and his legal advisor, Lauren Van Wazer. At the meeting, Celsat described the unique technical design of its 2 GHz MSS system and the strong business model made possible by that design. In this regard, Mr. Otten distributed the attached handout at the meeting. Celsat also presented an overview of the regulatory hurdles it has overcome in the nearly ten years that have elapsed since it first filed the petition for rulemaking which initiated this proceeding. Celsat expressed concern that recent Commission filings made by third parties could have the potential to delay the issuance of licenses to Celsat and other companies in the 2 GHz MSS proceeding. Finally, Celsat reiterated that it has the ability to provide a robust service to consumers with a modest amount of spectrum and stands ready to initiate its valuable service promptly after obtaining a license from the Commission.

In accordance with section 1.1206(b) of the Commission's rules, two copies of this letter are being submitted for inclusion in the docket noted above. Please direct any questions concerning this matter to the undersigned.

Very truly yours,



Brian Weimer

Enclosures

cc: Commissioner Copps  
 Lauren Van Wazer

No. of Copies rec'd 0+1  
 List A B C D E

# Celsat Is The Most Competitive

	Price Per Minute	Handset Price	Maximum Data Rate	Dual Mode Phone	Average RF Power	Satellite Handovers Required	Microwave Oven or Bluetooth Wipe Out?
Iridium	\$3.00 to \$7.00 retail	\$1,000+	2.4 Kbps	Brick With Hot Dog Antenna	0.5 Watt	Many	No
ICO	TBD	\$700	144 Kbps	Larger Than Celsat's	0.5 Watt	Some	No
Globalstar	\$1.50 retail	\$1,000	9.6 Kbps	Brick With Hot Dog Antenna	0.5 Watt	Many	Yes
Celsat	\$0.08 wholesale	Free	Fixed: 2 Mbps Mobile: 384 Kbps	Small, User Friendly PCS Phone	0.125 Watt	None	No

Source: FCC and SEC documents, press coverage, and Celsat Estimates

# System Fundamentals

Company	Satellites Needed Initially	Initial System Cost	Coverage	Maximum U.S. Circuits	Signal Margin	Relative cost per voice call
Iridium	66 Plus Spares	\$5.0 Billion to \$8 Billion	World Wide	4,000	16db Maximum	64
ICO	12	\$4.6 Billion	World Wide	4,000	8 - 10db	23/12
Globalstar	48 Plus Spares	\$3.3 Billion Plus Ground Stations	World Wide	4,000	8db Maximum	42
Celsat	1 Plus Spare	\$0.85 Billion	U.S., Canada, and Mexico	50,000 Per Satellite	16 - 22db	1

Source: FCC and SEC documents and Celsat Estimates

# **CELSAT**

## **Complementary to PCS**

- ◆ **PCS Covers About 10% of the U.S. Geography**
  - All Digital
  - Excellent Voice Quality
  - Full Features
- ◆ **Cellular Covers Less Than 65% of U.S. Geography**
  - Typically Analog

# ECHOSTAR/CELSAT SYSTEM

- ◆ **Echostar Leverages Broadcast Capability**
  - Standard DBS Service
  - Real Time “Mega” Internet Events
  - “Push” Services to Subscriber’s Hard Disks
    - ◆ Top Internet Sites
    - ◆ Sites Regularly Accessed by Individuals
- ◆ **Celsat Augments With Individualized Services**
  - DBS Return Link (up to 2 Mbps)
  - Full Internet Service Including Voice (at 2 Mbps)
  - Competitive Advantage Over Other Systems
    - ◆ Small, Low Cost Hardware (less than \$100)
    - ◆ Low Monthly Costs (\$4.95 to \$19.95)
    - ◆ Patent Pending

# CELSAT'S OUTBOUND LINK FROM THE HOME

- ◆ No Telephone Line Needed
- ◆ Very Low Cost (\$4.95 Per Month)
- ◆ High Speed (2 MBPS)
- ◆ Service Is Always On (Packet Switched)
- ◆ Small Low Cost Subscriber Hardware

# WHY CELSAT WILL SUCCEED WHILE IRIDIUM, GLOBALSTAR, AND ICO FAILED

CELSAT	IRIDIUM, GLOBALSTAR, AND ICO
<p style="text-align: center;"><b>COMPETITIVE PCS HANDSET</b></p> <p>PCS Industry Standard Handset</p> <ul style="list-style-type: none"> <li>-- Small PCS Handset With Tiny Antenna</li> <li>-- Low Cost, Free to Subscribers</li> <li>-- All GSM Features</li> <li>-- More Than 400,000,000 GSM Handsets Sold to Date</li> </ul>	<p style="text-align: center;"><b>NONCOMPETITIVE CLUMSY HANDSET</b></p> <p>Clumsy Handset, Tiny Production Volume</p> <ul style="list-style-type: none"> <li>-- Large "Brick" With Hot dog sized antenna</li> <li>-- Costs Subscribers &gt;\$1,000</li> <li>-- Limited Features</li> <li>-- Less than 50,000 Handsets Sold to Date</li> </ul>
<p style="text-align: center;"><b>COMPETITIVE PRICE</b></p> <p>Cost Per Call Less Than PCS</p> <ul style="list-style-type: none"> <li>-- Breakeven at a Penny a Minute</li> </ul>	<p style="text-align: center;"><b>SERVICE PRICE TOO HIGH</b></p> <p>Cost Per Call Much Higher Than PCS</p> <ul style="list-style-type: none"> <li>-- Breakeven &gt;50 Cents Per Minute</li> </ul>
<p style="text-align: center;"><b>MARKET PULL</b></p> <p>Responds to Known U.S. Market Needs</p> <ul style="list-style-type: none"> <li>-- Coverage and Safety Features for ATT, etc.</li> <li>-- Internet Feature for Echostar</li> <li>-- Coverage, Safety, and Cost Reduction for OnStar and Other Telematics Companies</li> </ul>	<p style="text-align: center;"><b>TECHNOLOGY PUSH</b></p> <p>Technology Driven For World Wide Coverage</p> <ul style="list-style-type: none"> <li>-- Very Small Market For These Handsets</li> <li>-- Very Small Market For These Prices</li> <li>-- Impossible to Pay Back Investment of \$ 5 billion each</li> </ul>

# ANYWHERE, ANYTIME

<b>SUBSCRIBER CATEGORY</b>	<b>MONTHLY COST INCLUDING LONG DISTANCE</b>
Mobile Voice	\$3.95 Access, 60 Free Minutes Then 8 Cents/Minute Decreasing to 4 Cents/minute
Internet @ 2mbps To And From Any Home	\$19.95, Unlimited Access Includes Voice
Dbs Return Link @ 2mbps From Any Home	\$4.95, Unlimited Access
Mobile Internet @ 384 Kbps	\$19.95, Unlimited Access
Mobile Personal Digital Assistant	\$29.95, Unlimited Access



# **CELSAT**

# **WIRELESS COMMUNICATIONS**

# **BRIEFING**

**May, 2001**

**David D. Otten**  
**Chairman and CEO**  
**Celsat America, Inc.**

Proprietary & Confidential to Celsat America, Inc.