

June 18, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable Michael Powell
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: CTIA Petition for Rulemaking
IB Docket No. 99-81

Dear Chairman Powell:

This letter is written on behalf of Globalstar, L.P., to request immediate dismissal of the "Petition for Rulemaking" filed by the Cellular Telecommunications and Internet Association ("CTIA") on May 18, 2001. CTIA is seeking modification of the allocation for Mobile-Satellite Service ("MSS") at 2 GHz (1990-2025/2165-2200 MHz) for uses other than satellite services.

Globalstar, L.P., is one of eight applicants for authority to construct and operate an MSS system at 2 GHz. Several parties have already filed cogent objections to CTIA's Petition. Here, Globalstar addresses several critical reasons why the 2 GHz MSS allocation should be maintained:

The MSS Allocation Serves the Public Interest. First, and foremost, the Commission has already decided that an allocation of 70 MHz for MSS at 2 GHz in the United States serves the public interest.¹ CTIA has offered no reason why that finding was in error. Indeed, terrestrial service providers objected to the size of the MSS allocation during the 2 GHz MSS allocation proceeding, and the Commission rejected their arguments based on the need for MSS.² CTIA's arguments are untimely and unavailing in the face of the Commission's explicit public interest finding based on a full record.

¹ See Amendment of Section 2.106 of the Commission's Rules to Allocate Spectrum at 2 GHz for Use by the Mobile-Satellite Service, 12 FCC Rcd 7388, ¶¶ 13-15 (1997).

² Id. at ¶ 14.

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Moreover, CTIA is too late to have the United States shift the global plans for the 2 GHz MSS allocation. The 1992 World Administrative Radio Conference allocated these bands for MSS. The Commission initiated the U.S. allocation proceeding in 1995, and completed it in 1997. Also in 1997, the Commission opened a filing window for 2 GHz MSS applications. Nine applications and letters of intent were filed in September 1997, and now almost four years later, the Commission is on the verge of issuing authorizations. While it's true that the spectrum has not yet been used for MSS, complex satellite systems require a long lead time and coordination of many international and national administrative proceedings. Globalstar, and other entities with a global service mission, have been developing plans for use of the spectrum for years. CTIA has offered no reason for the United States to obstruct the intent of multiple national and international organizations by simply ignoring the preparations of the international telecommunications community.

CTIA's Rationale Is Misguided. CTIA's rationale for reallocation is based on a misguided view of the MSS industry. CTIA claims that the proposed reallocation is appropriate because existing MSS providers have not developed robust businesses and proposed MSS providers have requested authority to offer terrestrial service over MSS spectrum. The truth is that handheld MSS is in its infancy, and it is premature to make value judgments based on the current market for MSS.

For example, CTIA's own statistics show that the infancy of cellular service would not have served as a predictor of the current penetration rates of the terrestrial mobile phone market. In the first five years of subscriber statistics (1985-1990) compiled by CTIA, the cellular industry achieved about a 2 percent penetration rate.³ It was not until a change in the market's perception of the uses for mobile phones and the falling price of service that cellular subscribership rose rapidly.

In contrast, handheld MSS has not yet had time to develop any substantial history or marketing trends. Therefore, CTIA's Petition is premised on value judgments that are skewed and lacking in foundation.

The fact is that successful marketing of handheld MSS will likely take longer than marketing cellular/PCS services. MSS is a global service, targeted at areas unserved or underserved by terrestrial wireline and wireless telephone services.

³ Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, 15 FCC Rcd 17660, 17746, App. B--Table 1 (2000).

Accordingly, unlike cellular/PCS companies that have achieved success by marketing to the large, urban population centers, MSS providers do not have available large geographic concentrations of potential MSS users.

If any comparison among services is made, the Commission should consider that the rollout of cellular/PCS services in rural areas lags far behind the rollout in urban areas. Indeed, after over 15 years of mobile telephone service, 90% of U.S. counties in the top quartile by population have three or more mobile phone providers. But, about 65% of U.S. counties in the lower three quartiles by population have two or fewer mobile phone providers.⁴ CTIA cannot legitimately criticize the marketing of MSS, when its own members have failed to rollout service to vast areas of rural America.

MSS Brings Value to Unserved Areas. While the distribution of potential MSS subscribers makes marketing more difficult, MSS is of great value to those subscribers precisely because they generally do not have access to wireline and wireless telephones. For example, as the enclosed article reports, Globalstar recently bridged the digital divide by bringing voice and internet service to an otherwise telephone-less family on a Navajo reservation. This case illustrates that MSS systems will have an immediate impact in establishing basic and advanced telecommunications services in rural areas. Globalstar is thus already serving areas where CTIA's members are not.

MSS Needs 3G Spectrum. The 2 GHz MSS spectrum is the only spectrum available in the near term for Third Generation ("3G") satellite services, and access to the entire 35 MHz for the uplink and downlink is critical to delivery of 3G services over satellite systems. Therefore, there can be no "middle ground" in considering the needs of MSS industry with the alleged needs of the terrestrial wireless industry.

As Globalstar has explained repeatedly in IB Docket No. 99-81,⁵ full internet service offerings require bandwidths on the order of 10-15 MHz. Multimedia applications for handheld terminals such as videoconferencing, distance learning, and interactive services also require a minimum of 10-15 MHz. While there is 35 MHz in each direction in this allocation, there are eight applicants for this spectrum. The Commission declined to mandate spectrum sharing among 2 GHz MSS licensees, and so, given the number of applicants, each will likely receive

⁴ See *id.* at 17747, App. B--Table 2C.

⁵ See Supplemental Comments of Globalstar, L.P., at 4-10 (Feb. 17, 2000).

access to less than these requirements.⁶ Even with the possibility of aggregating spectrum among licensees, the allocation of 35 MHz in each direction is not overly generous.

Moreover, if MSS licensees were restricted to narrow bandwidths, they would be limited to offering first generation services, such as voice and lower speed data services. If that were the case, 2 GHz MSS systems would be unable to provide services to rural and underserved areas comparable to services that terrestrial wireless carriers will be able to provide to urban areas in the future. The Commission has the obligation to make available to all the people of the United States “a rapid, efficient, nationwide, and world-wide wire and radio communication service.”⁷ Taking spectrum from MSS is definitely not the way to achieve competitive satellite services, or to ensure the availability of 3G services in rural America consistent with this mandate.

MSS Needs More Spectrum. Contrary to CTIA’s unsupported claims, there is a definite need for additional MSS spectrum. Globalstar currently has access to the 1610-1621.35 MHz and 2483.5-2500 MHz bands for its first generation system. But, this spectrum has limitations that will not improve over time. For example, Globalstar’s uplink at 1610-1621.35 MHz shares frequencies with the Radio-Astronomy Service at 1610.6-1613.8 MHz. This sharing scenario essentially makes the several lower channels unusable for certain types of service, e.g., services to aircraft which may fly over or near RAS sites. The 2 GHz MSS spectrum is thus critical to Globalstar and others for expansion of the services available in the United States and globally.

CTIA Does Not Want the 2 GHz MSS Spectrum. Despite CTIA’s Petition, it should be clear that CTIA does not need or want 2 GHz MSS spectrum. CTIA is backing a bill in Congress that would require the Commerce Department to make available for commercial services the 1755-1850 MHz band.⁸ Such an allocation makes sense because the 1710-1885 MHz band was designated for terrestrial 3G services at the 2000 World Radiocommunication Conference while the 2 GHz MSS spectrum was designated for satellite 3G services.

⁶ Establishment of Policies and Service Rules for the Mobile-Satellite Service in the 2 GHz Band, 15 FCC Rcd 16127, ¶ 26 (2000).

⁷ 47 U.S.C. § 151.

⁸ See Telecommunications Reports, Vol. 67, No. 23, at 6-7 (June 11, 2001).

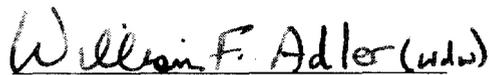
It is obvious that CTIA is putting its energy into development of a global allocation for terrestrial service rather than spectrum that would by necessity isolate the United States from other national plans for terrestrial 3G services.

For these and other reasons cited by opponents of this Petition, Globalstar urges the Commission (1) to dismiss CTIA's Petition as untimely, frivolous and contrary to the public interest, (2) to retain the 2 GHz MSS allocation for the United States as is, and (3) to move forward with the pending licensing proceedings.

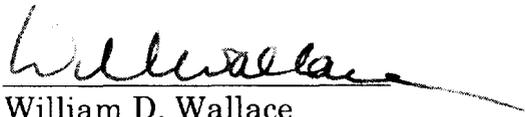
Four copies of this letter are being submitted to the Secretary's office pursuant to Section 1.1206(b)(1).

Respectfully submitted,

GLOBALSTAR, L.P.



William F. Adler
Vice President, Legal and
Regulatory Affairs
Globalstar, L.P.
3200 Zanker Road
San Jose, CA 95134
(408) 933-4401



William D. Wallace
Crowell & Moring LLP
1001 Pennsylvania Avenue, NW
Washington, DC 20004
(202) 624-2500

Enclosure

cc: The Honorable Gloria Tristani
The Honorable Kathleen Q. Abernathy
The Honorable Michael Copps
Donald Abelson
Thomas Tycz
Linda Haller
Anna Gomez
Karl Kensinger
Christopher Murphy
Howard Griboff
Tom Sugrue

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Front Page

The Mercury News

Published Tuesday, April 3, 2001, in the San Jose Mercury News

Navajo girl finally gets phone line

- S.F. marketer mounts gimmick-filled effort urging Internet users to show their support online.

I just got off the phone with Myra Jodie.

She called on her phone. From her house.

No, it wasn't "Mr. Watson, come here," but as phone calls go, it was a very big deal.

Remember Myra? The Navajo teenager who won a computer in an online contest just over a year ago? She took it home to a northeastern Arizona trailer with no running water and no telephone service and in the process caught the attention of the president of the United States.

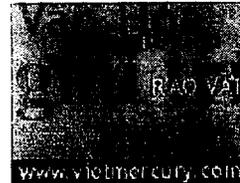
But none of that meant a phone and it was beginning to look like she'd never have one.

Well, she has phone service now and she thought she'd ring me up Monday to say so.

"I got my phone today," Myra, 14, said, first calmly and then with a little giggle.

Technicians from Globalstar, a San Jose-based company in the satellite phone business, installed about \$1,000 worth of equipment Monday morning and instantly connected Myra with the rest of the world. The company agreed to cover the \$1-a-minute charge for a year and then consider continuing the help.

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Letters to the Editor

Myra said her family had heard from Globalstar last week.

``This morning they came by," she said, meaning came by Ganado High, which she attends on the Navajo reservation. ``They said they were going to install it."

Globalstar's entry brings another dramatic twist to a remarkable story. Talk about rags to riches -- or riches to rags. On the same day the company installed the phone, Globalstar told the Securities and Exchange Commission that it might shut down by the end of the year if it doesn't raise more cash.

Ed Hirshfield, a Globalstar vice president who coordinated the installation, said he was optimistic despite the company's gloomy forecast.

``I think that a company that is planning to survive for awhile, has to do business as though it will survive," he said late Monday. And providing phone service to remote regions is part of Globalstar's mission.

There is nothing easy about this story and Myra learned that long ago. She's lived her life on a rugged reservation, a West Virginia-sized chunk of Arizona, New Mexico and Utah where fewer than a quarter of the homes have phones. It's a place where running water and reliable heat are not a given. Unemployment is high and poverty is deep.

Still, Myra didn't have time Monday to worry about far-flung financials. She had to learn the new phone system. By Monday afternoon, she'd already checked her e-mail. Her mother, Marcella, had already called her sister, who lives near the Grand Canyon.

You might not give checking e-mail or calling your sister a second thought. I didn't until I met Myra just over a year ago. She was a face on the digital divide. A determined face with a bright pair of eyes on a teenager who made the honor roll, played in the band and was a star pitcher for her school softball team. She was the face of a young woman who plans to attend Notre Dame or Harvard and she spoke for many.

It seemed Myra might never get a phone, despite heartfelt efforts by many dozens of you who first read her story last March. The irony of her computer prize reached the White House, and President Clinton invited Myra to introduce him when he traveled to the reservation last April. Myra did beautifully. But it did not get her a phone.

Hirshfield said Globalstar executives were taken by Myra's story when they first read it a year ago. They thought about ways they might help, but they didn't yet have the ideal technology. Their talks with Navajo tribal leaders moved slowly.

Then Hirshfield saw my column last month, which recounted Myra's last year: Winning the computer. Meeting the president. Appearing on a game show. And still having no phone.

"It spurred us to move more rapidly," Hirshfield said.

Not only that, by March the company had improved the technology needed to bring satellite phone and Internet service to Myra's trailer on the reservation.

So, Globalstar is a hero here, but this story is packed with heroes. They give reason for hope that the so-called digital divide and even older divides might be bridged by those with good hearts.

Readers have written offering to donate money to the cause. And you would think money would have done it, but the problem takes lots of money. No phone wires run near Myra's home. Bringing them several miles to her would cost tens of thousands.

But in the past year, satellite systems became more practical. Frank Paniagua, CEO of AutoNetworks in San Ramon, and Sandy Colony, a vice president with StarBand, based in Virginia, said last month that together they would install a StarBand satellite system that would provide Myra with an Internet connection. They agreed to pay for a year or more of service.

But, they graciously backed off when they learned that Globalstar was preparing to offer both Internet and telephone service.

And there were heroes on the reservation. Heroes like Ella Earl, Myra's eighth-grade teacher, who let students surf the Web at school when they were finished with their school work. Myra was often finished early and she entered the Web-based computer giveaway at school. It took representatives of contest sponsor Awz.com, of San Jose, weeks to track her down because she had no phone. Awz has since gone out of business.

All along, Myra has said she's thrilled to have the machine. She's seemed a bit bemused that people made something out of the fact that she had the computer, but no Internet connection. So many of her neighbors had nothing more than she had.

So, of course, if you're looking for heroes, there is Myra, too. She

never complained. Never asked for help, really. But help has arrived.

I know, because Myra called to tell me.

Contact Mike Cassidy at mcassidy@sjmercury.com or (408) 920-5536.

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