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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

June 27, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

RE: IB Docket No. 99-81

Dear Ms. Salas:

On June 26, 2001, William F. Adler and David Weinreich of Globalstar, L.P., and the undersigned participated in a meeting with Kathleen Ham, James Schlichting, David Furth, Tom Stanley and John Spencer of the Wireless Telecommunications Bureau regarding issues recently raised in the above-referenced docket.

Initially, we outlined the Mobile-Satellite Service ("MSS") services and products that are currently available over the Globalstar™ system operating in the 1.6/2.4 GHz MSS bands. We then discussed the reasons why CTIA's Petition for Rulemaking regarding reallocation of the MSS spectrum at 2 GHz should be dismissed, which are outlined on the enclosure. Given the services and products that Globalstar, L.P., intends to provide using the 2 GHz MSS spectrum, we explained why the Commission should not adopt the proposal of New ICO Global Communications (Holdings) Ltd. (dated March 8, 2001) regarding an ancillary terrestrial component for 2 GHz MSS licensees.

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Pursuant to Section 1.1206(b)(2) of the Commission's Rules, two copies of this letter and the enclosure are provided for the Commission's files.

Respectfully submitted,

William D. Wallace

Enclosure

cc: Kathleen Ham
James Schlichting
David Furth
Tom Stanley
John Spencer

GLOBALSTAR, L.P.
June 26, 2001

I. The 2 GHz MSS Bands Have Been Designated for MSS Globally for Nearly Ten Years.

- Globalstar and other 2 GHz MSS proponents worked with the FCC, NTIA and Department of State to achieve an international allocation for MSS at 2 GHz at the 1992 World Administrative Radio Conference.
- The FCC initiated an allocation proceeding for 2 GHz MSS in 1995, and in 1997 found that the public interest was served by an allocation of 70 MHz (1990-2025 MHz/2165-2200 MHz) for MSS. The rationale for this allocation was reaffirmed in 1998.
- In response to the FCC's invitation, nine companies, including Globalstar, filed applications or letters of intent to provide service in the 2 GHz MSS allocation in September 1997.
- The FCC adopted service rules for 2 GHz MSS in March 2000, and the applicants filed amendments to conform to these rules in November 2000.
- Licenses for 2 GHz MSS were expected by June 2001.

II. The Allocation for MSS at 2 GHz Is Critical for Delivery of Next Generation Satellite Services.

- Allocations for MSS are limited. The FCC has declined to allocate for MSS in the United States the only other available international allocation (2500-2520 MHz/2670-2690 MHz).
- First generation services (voice, low-speed data) will be maximized in the spectrum currently used by the Globalstar™ system (1610-1621.35 MHz/2483.5-2500 MHz). That spectrum is burdened by sharing with Radio-Astronomy Service at 1610.6-1613.8 MHz and protection of radionavigation services below 1610 MHz.
- Next generation satellite services require bandwidths of 10-15 MHz to deliver interactive and multimedia applications.
- Even with 35 MHz in each direction at 2 GHz, spectrum sharing and redistribution will be necessary to meet the needs of operational 2 GHz MSS systems.

III. MSS Systems Offer Services That Terrestrial Wireline and Wireless Systems Are Not Providing.

- MSS systems provide an instant telecommunications infrastructure to unserved and underserved population areas and in otherwise inaccessible locations, such as aircraft.
- MSS systems provide telecommunications service to persons travelling in uninhabited areas of the globe.
- MSS systems provide safety and distress communications at sea and in areas where natural disasters have disabled landline services.
- After 18 years, cellular and PCS *still do not serve* vast geographic areas of the U.S., and probably never will because it is not profitable.
- Globalstar and its partners have spent billions of dollars to bring telecommunications service to unserved and underserved areas, consistent with the FCC's statutory mandate that populations in these areas enjoy services equivalent to those in urban areas.
- Cellular service was never predicted to be as successful as it has become. No one can predict now the demands for services that MSS phones will fill in the future.

IV. The Pleadings Filed by CTIA, AT&T Wireless, Cingular Wireless, Sprint PCS and Verizon Wireless Threaten to Undermine the Integrity of the FCC's Administrative Procedures.

- The 2 GHz MSS applicants have worked within the FCC's processes and rules to achieve the ITU and U.S. allocations for 2 GHz MSS, to develop acceptable service rules for all 2 GHz MSS applicants, and to bring new telecommunications services to the public based on the FCC's commitment of resources and spectrum for this purpose.
- Ten years later, the terrestrial wireless community has injected itself into this proceeding for defensive reasons only. They have never had designs on this band.
- The 2 GHz MSS bands are designated globally for *satellite*, not terrestrial, 3G services, and that global designation should be respected in the United States. The FCC has previously rejected objections to the 2 GHz MSS allocation in the United States based on the need for consistent spectrum for global satellite systems.

V. The FCC Should Stay the Course It Set Ten Years Ago: Maintain the 2 GHz MSS Allocation and License Qualified Applicants.

- The FCC should preserve the integrity of its processes by rejecting any effort to change the 2 GHz MSS allocation or to delay the MSS licensing proceedings.

- The FCC should dismiss the CTIA Petition for Rulemaking and the AT&T Wireless/Cingular Wireless/Sprint PCS/Verizon Wireless request for delay in licensing as untimely, frivolous and contrary to the public interest.

- The current financial difficulties of the MSS industry do not justify starting this process all over. DBS held spectrum for *15 years* before launching service and succeeding in the marketplace.

- The FCC should license the qualified 2 GHz MSS applicants that have labored over the past ten years to bring 2 GHz MSS to the public.

- The FCC should encourage and support the efforts of the MSS industry to serve rural and underserved areas of the U.S. and rest of the world, not undermine it by forcing the MSS industry into a more expensive, time-consuming and potentially disastrous regulatory process.

VI. The FCC Has Painstakingly Nurtured Many Wireless Services While Their Business Plans Developed.

A. Direct Broadcast Satellite

- 1982: The FCC allocated spectrum at 12 GHz for DBS to provide improved service to rural areas, greater variety of programming and technically innovative service.

- 1986: In response to a petition by DBS licensee United States Satellite Broadcasting Company to offer non-conforming uses, FSS and OFS licensees requested initiation of proceeding to reallocate DBS spectrum "in light of USSB's 'admission' or their own predictions of the failure of DBS." United States Satellite Broadcasting Co., 1 FCC Rcd 977, ¶ 5 (1986). The FCC rejected these requests, noting (¶¶ 6-7):

  One of the objectors' primary themes is that USSB's petition is evidence of the unsoundness of DBS, which has failed the "acid test" of any new product or service: i. e., acceptance in the marketplace. Some project that DBS can never succeed, so that the allocation should be eliminated. Others assert that DBS requirements are merely speculative while very real needs for increased spectrum exist for other services, so that the DBS allocation should be reduced while the marketplace demand determines the most desired use of the spectrum.

  These arguments are raised by terrestrial operators who were displaced by the DBS allocation. . . . [The Commission] continues to support the development of DBS as an important potential addition to the availability, diversity and technical enhancement of video programming, and hereby reaffirms its allocation decision. . . . Nowhere in its decisions to date has the Commission explicitly indicated that its allocation decision was based on an expectation as to what particular date would see the first DBS transmission. The Commission was now and is aware that time is required for DBS operations to develop. . . . There are still no significant changes or events since [the Allocation Order] that would undermine those findings or conclusions.

- 1995: After reclaiming DBS licenses for failure to construct, the FCC reaffirmed its commitment to DBS and re-assigned the orbital locations by auction. Only recently has DBS become a significant competitor in the market for cable services.

B. Multipoint Distribution Service

- 1983: The FCC reallocated 48 MHz of spectrum from ITFS to MDS as a "wireless cable" competitor to wireline cable, and permitted MDS licensees to lease excess airtime on ITFS channels.

- 1990: The FCC noted that the competitive position of MDS was "largely unrealized." MDS subscribers constituted 0.4% of wireline and wireless cable subscribers. In Gen. Dkt. No. 90-54, the Commission allocated additional channels to MDS, increased the availability of ITFS channels and increased the size of MDS protected service areas, among other rules designed to facilitate the competitive viability of MDS in response to changes in wireline cable industry.

- 1996: The FCC assigns BTA authorizations by auction for all unlicensed MDS spectrum, and adopts a five-year build-out rule.

- 1997: The FCC acknowledged that growth of the MDS industry had remained "limited" due to economic and technological constraints. Moreover, wireline cable was increasing service offerings as a result of convergence of cable and telecommunications services. In MM Dkt. No. 97-217, the FCC proposed to permit MDS and ITFS licensees to provide two-way fixed, telecommunications services, and adopted those rules in 1998.

- 2001: The FCC extends the five-year, build out requirement imposed upon entities holding MDS BTA authorizations by two years because of changes to the rules governing services that can be offered over MDS frequencies. (The Commission noted that Sprint Corporation "wholeheartedly supports the Commission's proposal to extend the build-out requirement and thereby allow BTA authorization holders a more reasonable time in which to construct facilities.")