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SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

1440 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000
FAX: (202) 393-5760
http://www.skadden.com

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July 13, 2001

VIA HAND DELIVERY

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

RECEIVED

JUL 13 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

Dear Ms. Salas:

On Thursday, July 12, 2001, David Otten, Chairman & CEO of Celsat America, Inc. ("Celsat"), John Quale, and I met with Commissioner Martin and his legal advisor, Sam Feder. 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 handouts at the meeting. Celsat also discussed some 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,

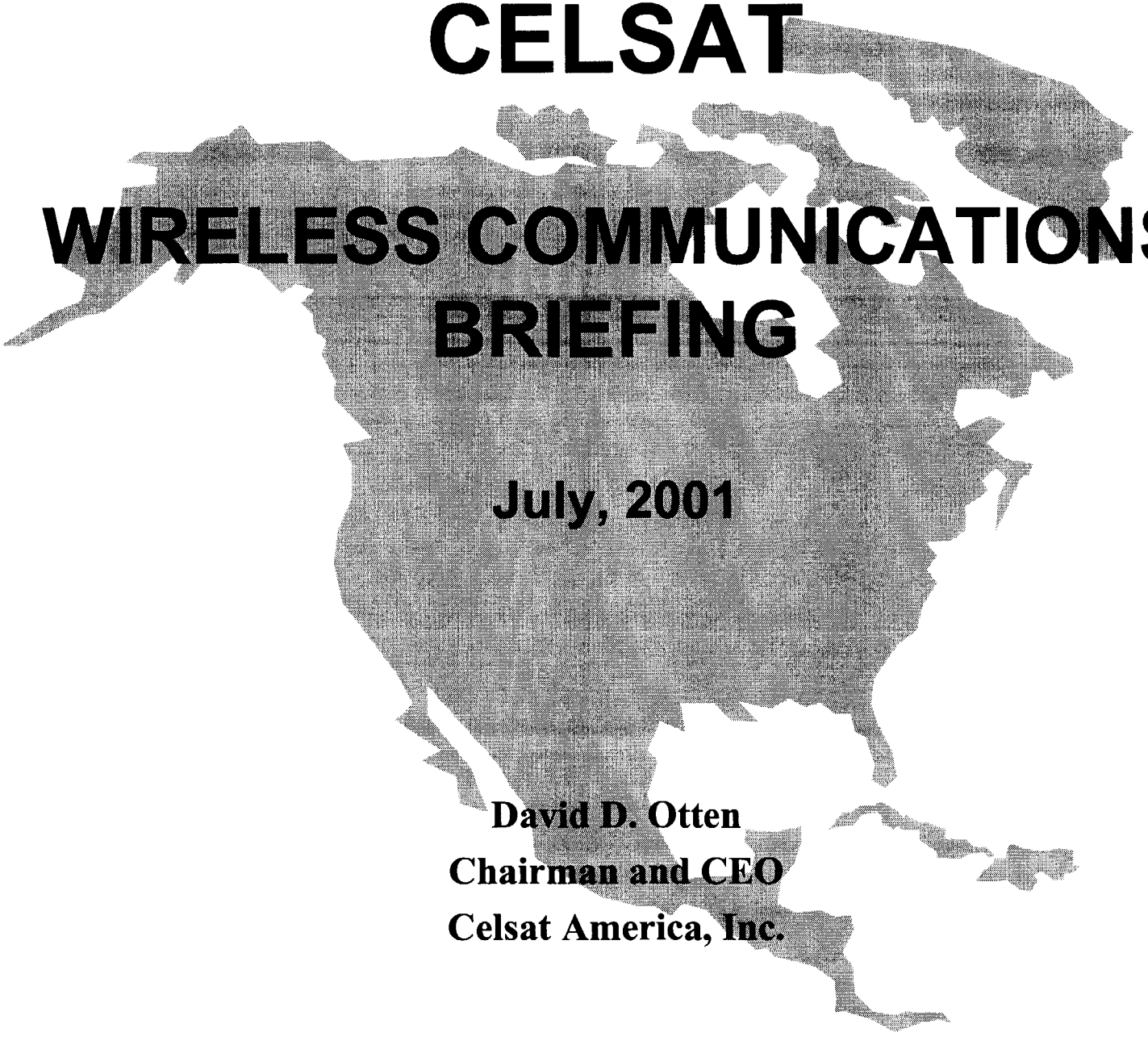
Brian Weimer

Enclosures

cc: Commissioner Kevin Martin
Sam Feder

No. of Copies rec'd 0
List ABCDE

CELSAT



WIRELESS COMMUNICATIONS BRIEFING

July, 2001

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

Proprietary & Confidential to Celsat America, Inc.

ORIGINAL

ANYWHERE, ANYTIME

SUBSCRIBER CATEGORY	MONTHLY COST INCLUDING LONG DISTANCE
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

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

CELSAT	IRIDIUM, GLOBALSTAR, AND ICO
COMPETITIVE PCS HANDSET PCS Industry Standard Handset -- Small PCS Handset With Tiny Antenna -- Low Cost, Free to Subscribers -- All GSM Features -- More Than 400,000,000 GSM Handsets Sold to Date	**NONCOMPETITIVE CLUMSY HANDSET** Clumsy Handset, Tiny Production Volume -- Large "Brick" With Hot dog sized antenna -- Costs Subscribers >$1,000 -- Limited Features -- Less than 50,000 Handsets Sold to Date
COMPETITIVE PRICE Cost Per Call Less Than PCS -- Breakeven at a Penny a Minute	**SERVICE PRICE TOO HIGH** Cost Per Call Much Higher Than PCS -- Breakeven >50 Cents Per Minute
MARKET PULL Responds to Known U.S. Market Needs -- Coverage and Safety Features for ATT, etc. -- Internet Feature for Echostar -- Coverage, Safety, and Cost Reduction for OnStar and Other Telematics Companies	**TECHNOLOGY PUSH** Technology Driven For World Wide Coverage -- Very Small Market For These Handsets -- Very Small Market For These Prices -- Impossible to Pay Back Investment of $ 5 billion each

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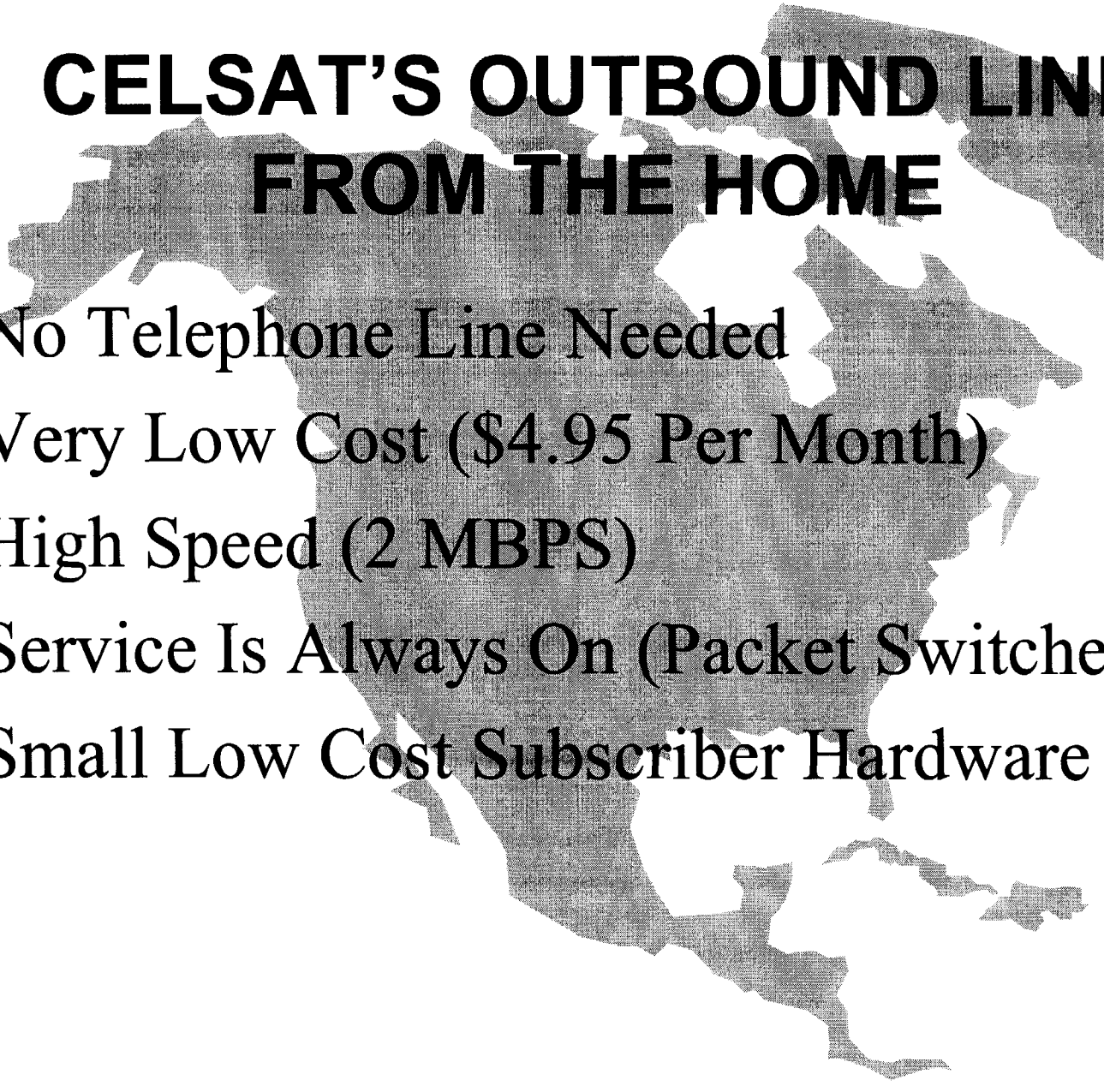
CELSAT'S OUTBOUND LINK FROM THE HOME



- 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

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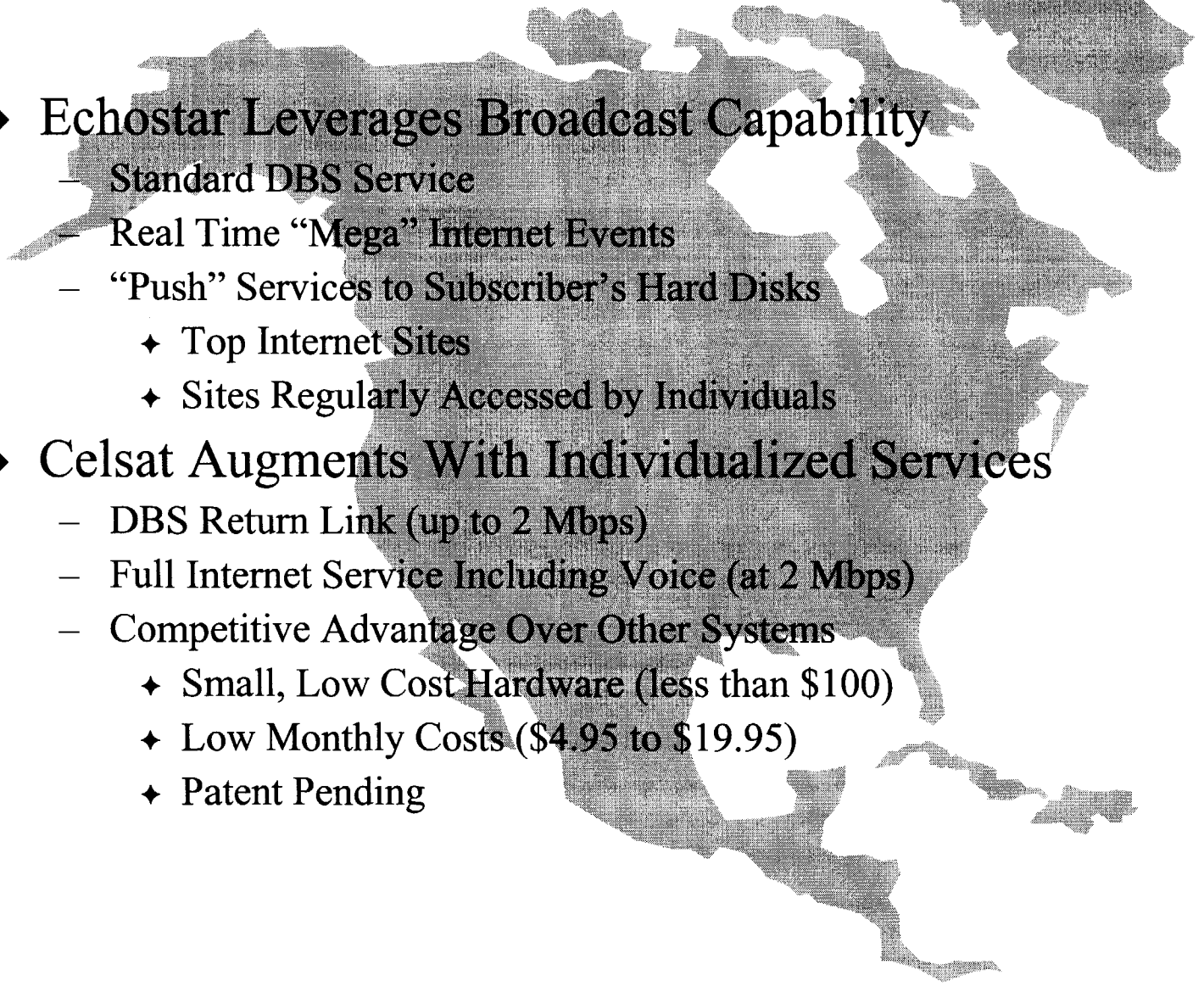
ECHOSTAR/CELSAT SYSTEM



- 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

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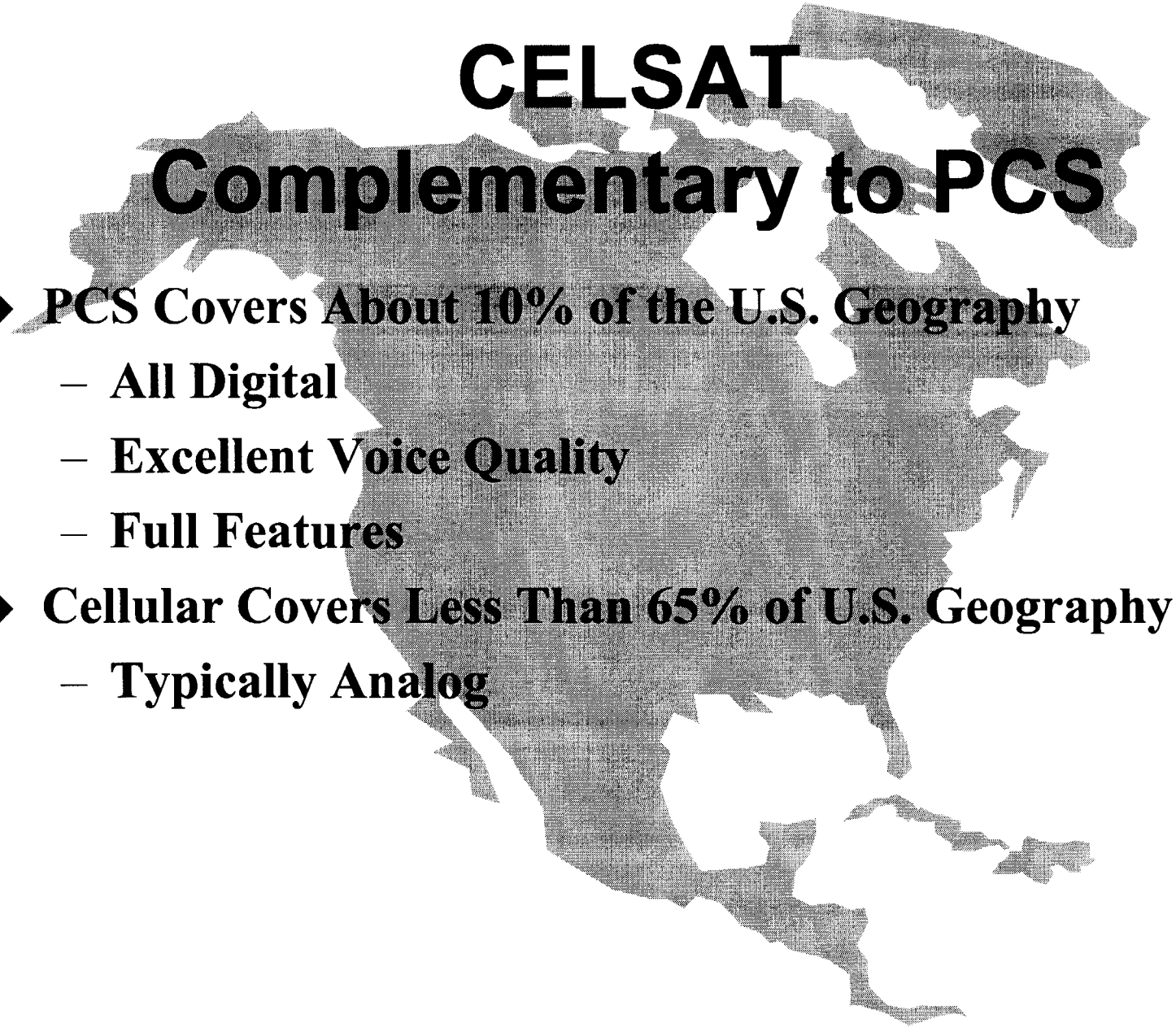
CELSAT
Complementary to PCS



- **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**

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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

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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

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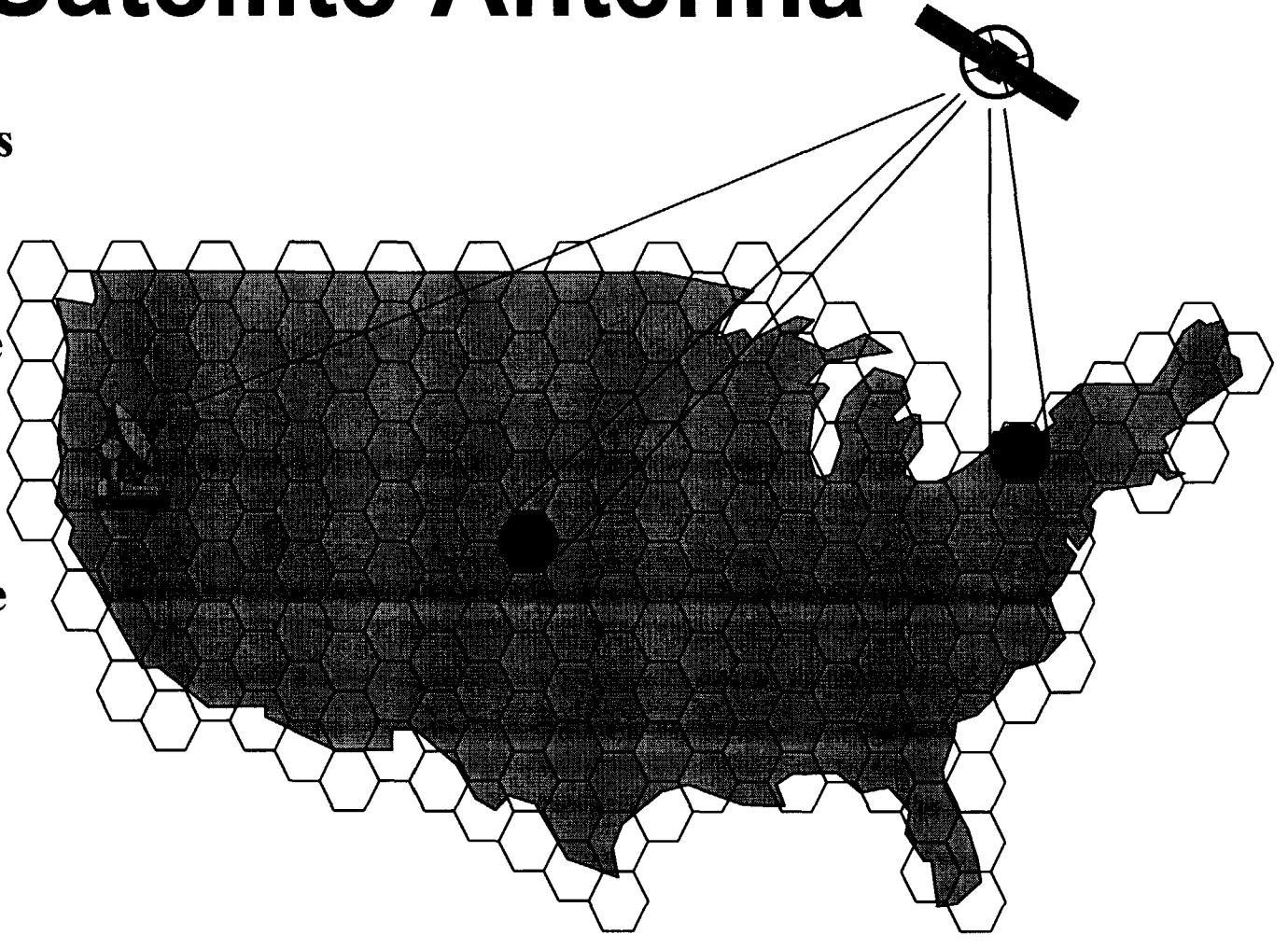
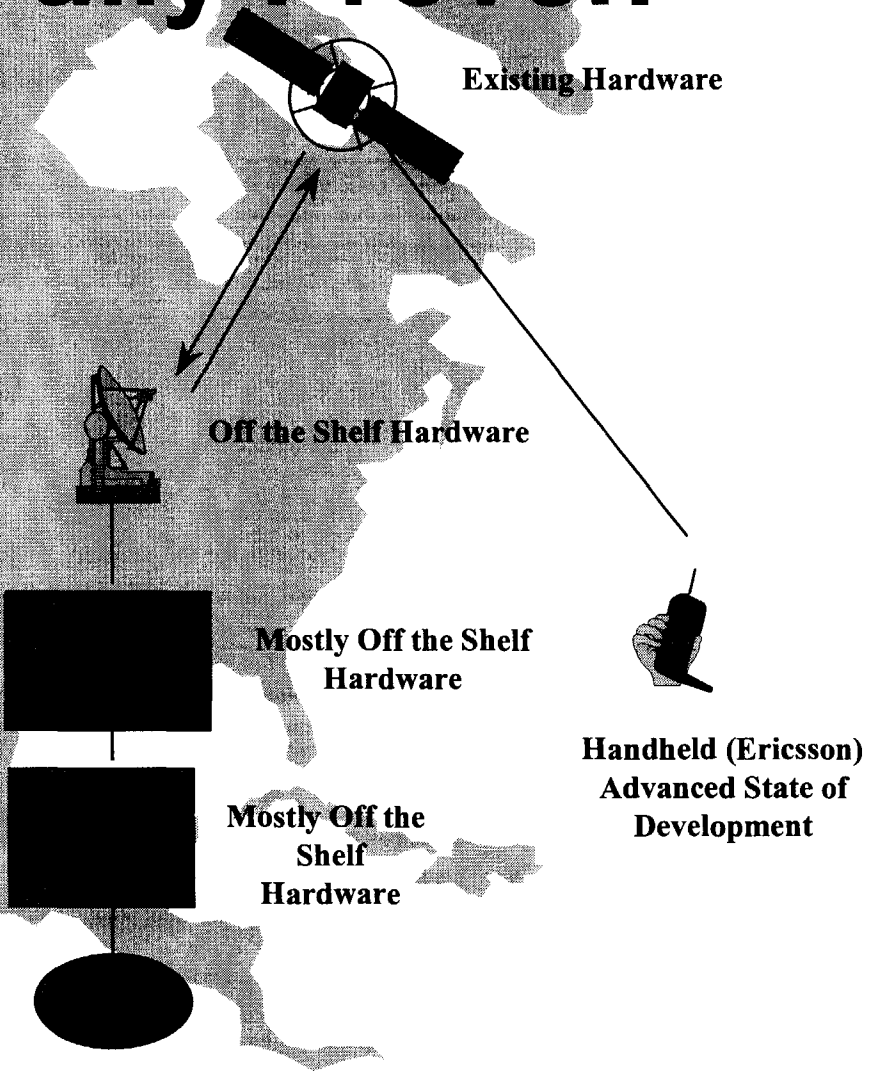
High Gain, Multi-Beam Satellite Antenna

- 120 Transponders Per Satellite.
- 450 Beams
- 20 Meter Satellite Antenna Diameter.
- Satellite at Least 36 Degrees Above Horizon



Technology Fully Proven

- Satellite Bus, Payload and 20m S-Band Multi-Beam Antenna Are Proven In-Use Designs.
- Ground Gateway Network & Base Station Utilize Mostly Existing Feeder Station and Cellular/PCS Hardware.
- Dual Mode Terminal - Advanced State of Development
- GEO Time Delay
  - No Perceivable Impact on Internet, Fax, or Paging use
  - Echo Cancellers Now Minimize Any Problems for Voice



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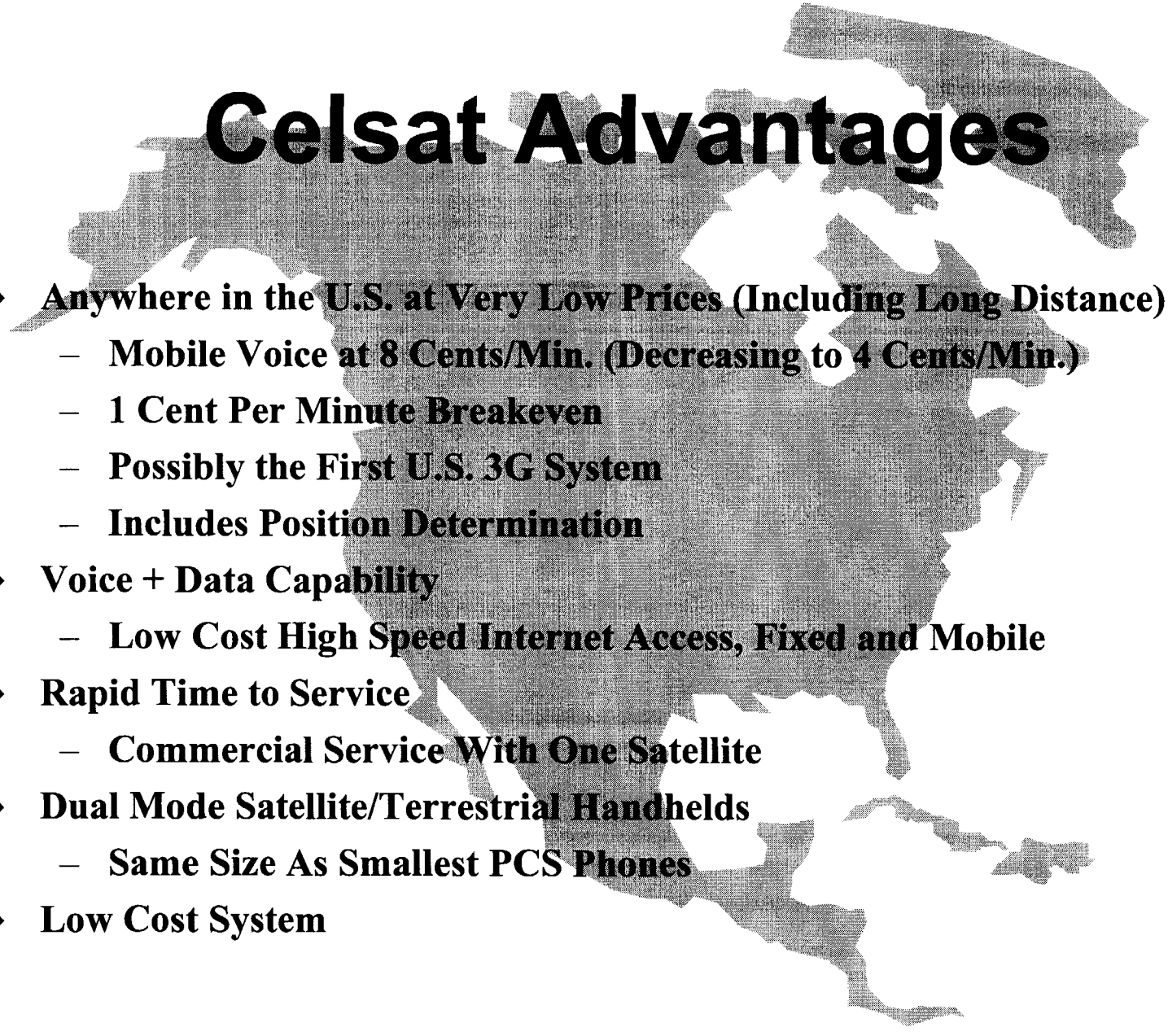
Celsat Advantages



- **Anywhere in the U.S. at Very Low Prices (Including Long Distance)**
  - **Mobile Voice at 8 Cents/Min. (Decreasing to 4 Cents/Min.)**
  - **1 Cent Per Minute Breakeven**
  - **Possibly the First U.S. 3G System**
  - **Includes Position Determination**
- **Voice + Data Capability**
  - **Low Cost High Speed Internet Access, Fixed and Mobile**
- **Rapid Time to Service**
  - **Commercial Service With One Satellite**
- **Dual Mode Satellite/Terrestrial Handhelds**
  - **Same Size As Smallest PCS Phones**
- **Low Cost System**

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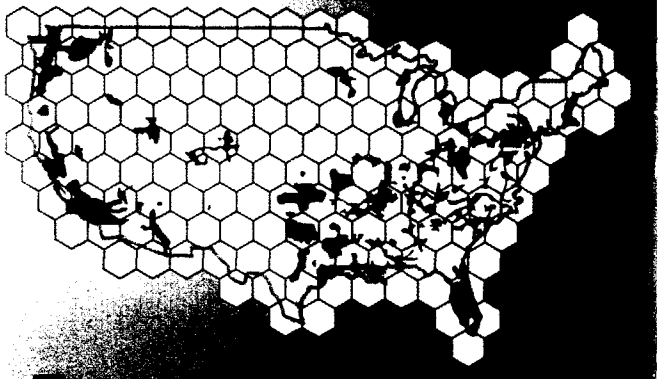
Celsat connects the nation anywhere, anytime...



Current AT&T digital service

Celsat cellular service

Picking up where terrestrial leaves off, Celsat has you covered. Whether you're in the wilderness, on your boat, or driving through the rural United States, you'll have full access to wireless voice and data.

Celsat complements (not competes with) your terrestrial service with dual-mode capability in a standard Ericsson wireless phone with a modified chip. The tiny phone provides all the voice and data features offered by nationwide PCS services.

...With Celsat, one phone is all you need.

For more information contact
David D. Otten
Chairman and Chief Executive Officer
Celsat America, Inc.
310-316-1339 • phone
310-316-2120 • fax
ddotten@aol.com • email

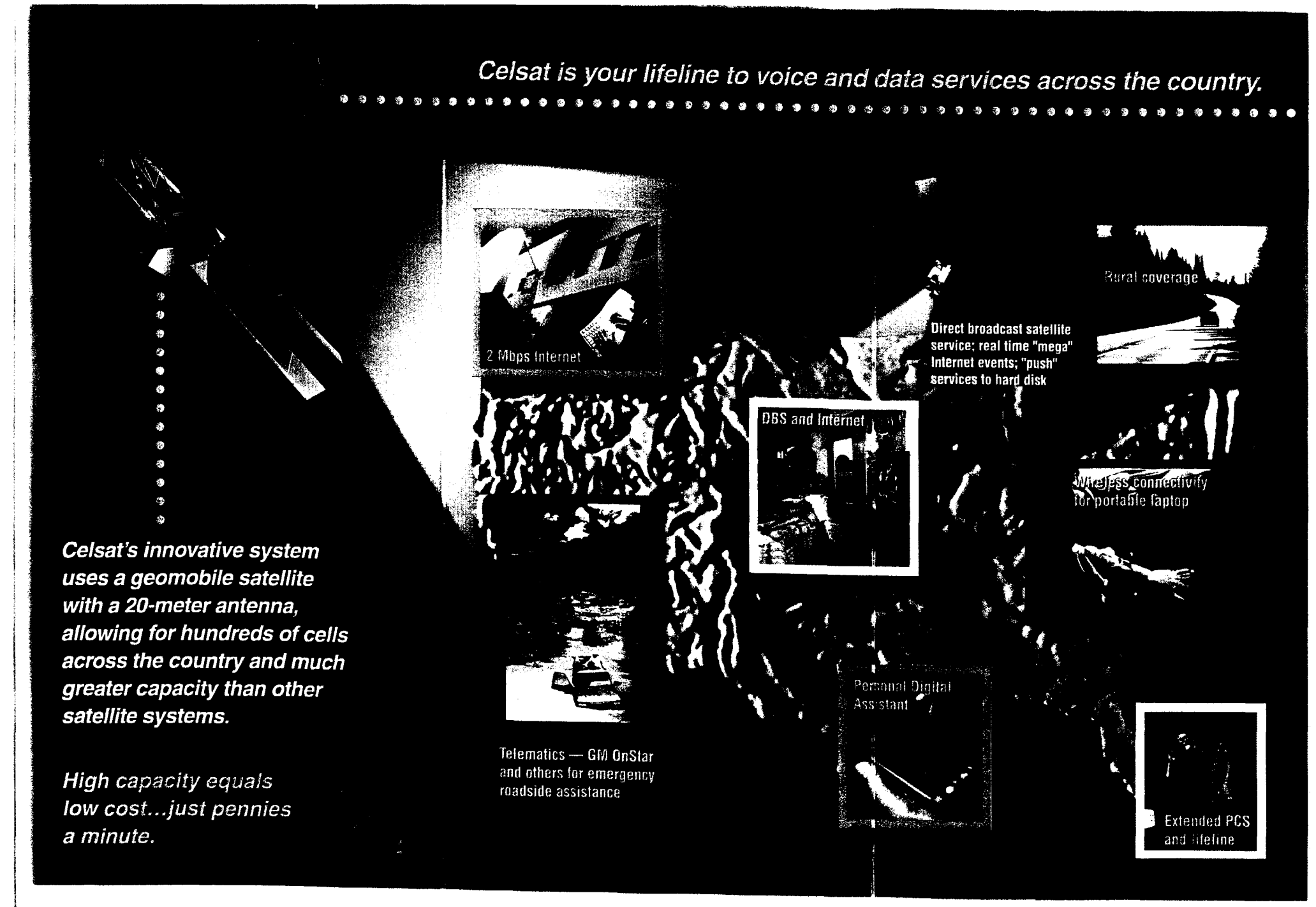
Celsat
america

It fits into the palm of your hand...

...It covers the nation

Celsat
america

Celsat is your lifeline to voice and data services across the country.



Celsat's innovative system uses a geomobile satellite with a 20-meter antenna, allowing for hundreds of cells across the country and much greater capacity than other satellite systems.

High capacity equals low cost...just pennies a minute.