1001 Pennsylvania Avenue, NW, Washington, DC 20004-2595 ▪ p202 624-2500 ▪ f202 628-5116

crowell moring

William D. Wallace
(202) 624-2807
wwallace@crowell.com

August 15, 2002

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: IB Docket No. 01-185 Ex Parte Notice

Dear Ms. Dortch:

On August 14, 2002, Olof Lundberg, Chief Executive Officer of Globalstar, L.P., William F. Adler, Vice President, Legal and Regulatory Affairs of Globalstar, L.P., and the undersigned made a presentation to Commissioner Kathleen Abernathy and her Senior Legal Advisor Bryan Tramont explaining Globalstar, L.P.' s previously-expressed positions on issues in the above-referenced docket.

As indicated in the enclosed handout, which was distributed at the meeting, Globalstar, L.P. ("GLP") believes that grant of ATC authority to MSS licensees would serve the public interest and help develop the business of both existing 1.6/2.4 GHz and planned 2 GHz MSS systems. Grant of ATC authority would improve MSS spectrum utilization. We explained that GLP opposes severance of MSS spectrum for assignment to a separate terrestrial service provider. We also explained how ATC could enhance, in particular, development of a nationwide service for public safety purposes. We also distributed GLP's June 27, 2002 written presentation filed in this docket and a June 28, 2002 handout ("Flexibility for Mobile Satellite Service Providers") also previously filed in this docket.

Pursuant to Section 1.1206(b)(2) of the Commission's Rules, this letter and the enclosure are being filed electronically over the Commission's Electronic Comment Filing System.

Respectfully submitted,

William D. Wallace

Enclosure

Federal Communications Commission

Flexibility for Mobile Satellite Service Providers
Ancillary Terrestrial Component
August 14, 2002

Globalstar

Usage and System Performance

- 75000 commercial subscribers in spite of drawn-out restructuring process
  - 50% annual increase
- Large number of Public Safety and Government customers
- Truly ubiquitous service
- An infrastructure resistant to local man-made and natural catastrophes
- Globalstar is not a paper system – investors have spent $5B building the system

Globalstar

Globalstar Space Segment

- Service link spectrum at 1610-1626.5/2483.5-2500 MHz
- First Generation Constellation
  - 48 Satellite constellation
  - 2 In-orbit spare satellites
  - 10-Year life predicted
- Second Generation Constellation
  - Licensed to launch and operate GEO/LEO system in 2 GHz Band
  - Aims at future ubiquitous broadband mobility overlay

Globalstar

Restructuring Status

- Chapter 11 Petition filed February 15, 2002 in Delaware
  - Not a liquidation!
- Operating as debtor-in-possession
  - Service continues as before
  - Bare-bones operating expense budget
- Implementing new business strategy
  - Roll-up of gateways, new market focus, new pricing
- Soliciting additional investment
  - $5B infrastructure – a fraction required to stabilize company
- Will emerge as the New Globalstar

Globalstar

The Future of MSS

- Mobile growth will continue
  - Technology will continue to enable smaller and cheaper terminals at higher data rates
- MSS remains only way to provide ubiquitous coverage
  - Ubiquitous, resilient, interoperable
- MSS raison-d'être is not as a poor imitation of cell-phones
- MSS natural markets are an aggregation of niche markets:
  - Public Safety, Rural mobile and fixed, Maritime, Aviation, DOD
- Back to basics
  - Understand customers and market forces
- There is not room for many players
  - Consolidation will happen

Globalstar

Globalstar restart

- Reach cash-flow breakeven
  - Use capacity as competitive advantage
  - Turn present inventory of phones and ‘minutes’ into revenues
- Gain renewed credibility and pursue key markets
- Attract new investment with ATC

Globalstar

Extraordinary Telecommunications Environment

- Chairman Powell
  - urged Congress "*to take measures that would foster the continuity of services as well as maintain the integrity and reliability of the nation's telecommunications network in light of the risks and realities stemming from future bankruptcies*"
  - …" *it is difficult to imagine the industry stabilizing without some … restructuring*"
  - …" *one cannot think about long-term consumer benefits without also considering the long-term prospects of carriers* …"
  - …" *Regulators have to walk a fine line to achieve stability while not squelching competitive opportunity*…"

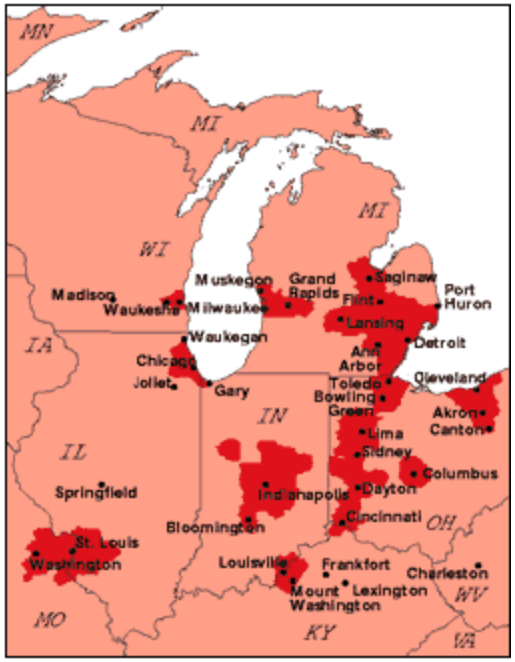
Globalstar

ATC principles

- Satellites provide ubiquitous service
  - Cover rural and underserved areas
  - Provide resilient and complementary service when terrestrial infrastructure is overloaded or damaged
- Terrestrial towers provide metro coverage and in-building penetration
  - Terrestrial services provide higher service quality and are more spectrum-efficient in metro areas
- Satellite/terrestrial combination provides the best of both worlds

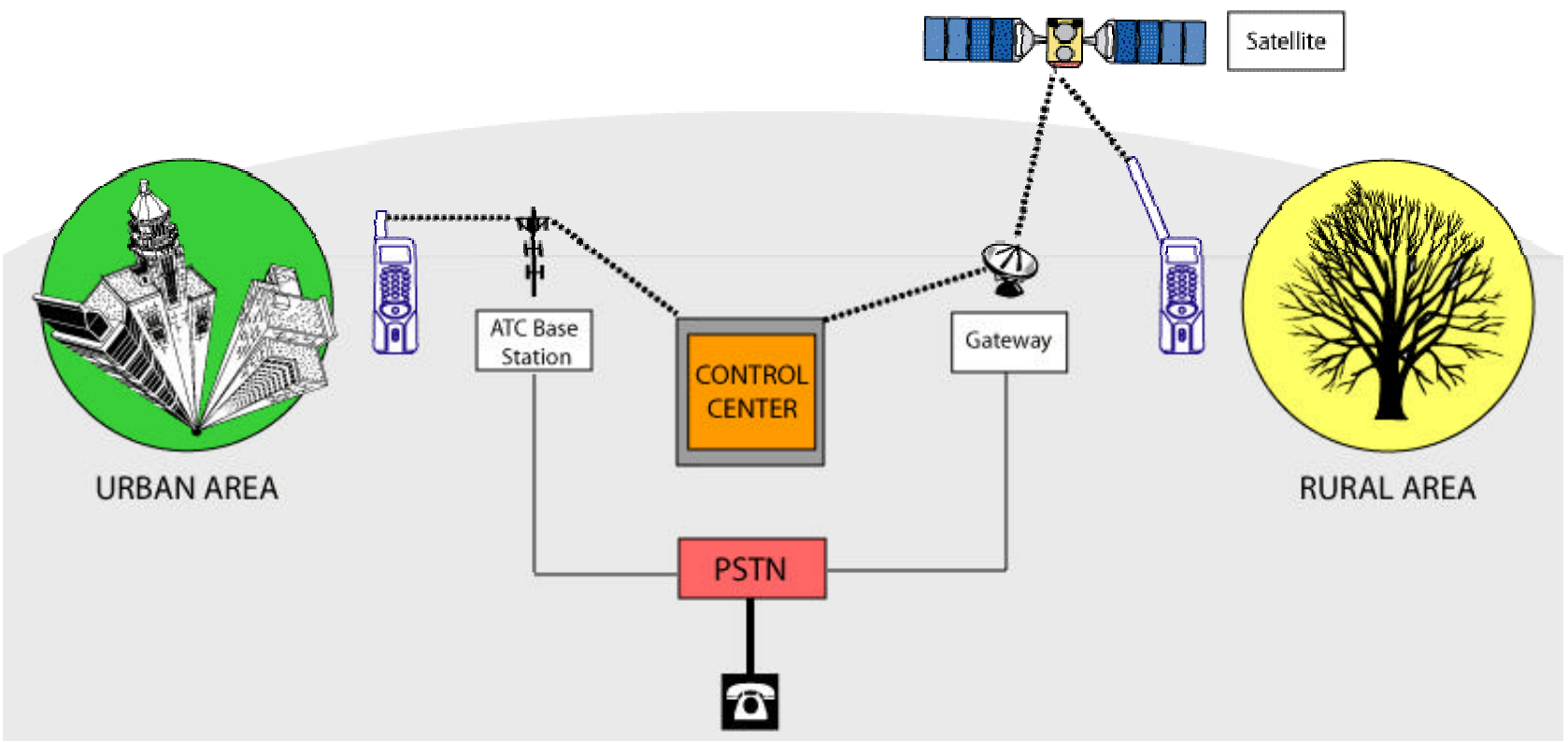
Globalstar

Cellular Terrestrial Coverage



Globalstar

Worldwide Satellite and ATC Communication Service



Existing Control Center Brings Satellite and ATC Together

- Centralized resource allocation is the key to
  - Spectrum efficiency
  - Service quality and seamless roaming

Globalstar

Globalstar ATC Applications

- Public Safety
  - Possible scenario:
    - Operations in remote areas without terrestrial services
    - Initial response teams have immediate availability of Satellite service
    - As situation demands and additional users arrive on site, deployable ATC base stations allow thousands of users on ATC in limited areas
    - The same phone can be used seamlessly

Globalstar

Globalstar ATC Applications

- Public Safety (cont'd)
  - Possible scenario:
    - Terrestrial infrastructure has become inoperable
    - The satellite overlay provides immediate and resilient service in the emergency area
    - The same phone can be used seamlessly

Globalstar

Globalstar ATC Applications

- Public Safety (cont'd)
  - Possible scenario:
    - Terrestrial network is overloaded in an emergency area
    - The satellite overlay provides resilient complementary capacity as required.
    - The same phone can be used seamlessly

Globalstar

ATC Authority is in the Public Interest

- ATC significantly improves spectrum utilization
- ATC significantly improves the economics of MSS operation
  - Broadens base of potential subscribers
  - Induces more usage, improving average revenue per unit in service
  - Jump-starts new product development
- ATC provides a reliable, ubiquitous, primary or back-up public safety and emergency response system

Globalstar

Summary

- Grant of ATC authority to L/S Band MSS would
  - Boost an important, struggling industry
  - Result in exciting new options for consumers
  - Allow MSS to meet important public safety and emergency services requirements
  - Maximize public benefit by increasing potential subscribers and reusing existing spectrum
- ATC authority is valuable to consumers and to MSS licensees.
- ATC authority should be implemented expeditiously

Globalstar