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September 24, 2002

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

Re: *Ex Parte* Presentation
IB Docket No. 01-185/ET Docket No. 95-18

Dear Ms. Dortch:

On September 24, 2002, the undersigned counsel for TMI Communications and Company Limited Partnership (TMI) and Wharton B. Rivers, Jr., CEO of TerreStar Networks, Inc. (TerreStar), met with Bryan Tramont, Senior Legal Advisor, and Aaron Horowitz, a Legal Intern, in the Office of Commissioner Powell, to review the status of the above-referenced dockets.

TMI and TerreStar also explained why the public interest would be best served by granting existing 2 GHz MSS licenses spectrum flexibility: it will promote market-driven use of the available spectrum while preserving the FCC's option to reallocate and auction spectrum that is forfeited by licensees which do not meet applicable construction milestones. In addition, the parties provided Messrs. Tramont and Horowitz with eleven pages of briefing materials which amplify the foregoing points and also demonstrate that, in view of the estimated spectrum likely to be available for 3G services, it would be irrational for the FCC to propose the reallocation of additional 2 GHz spectrum now assigned to MSS systems. A copy of these materials is attached.

In response to Mr. Tramont's questions, TMI and TerreStar stated that they supported the adoption of reasonable technical rules to ensure that any Ancillary Terrestrial Component (ATC) remains ancillary to satellite service, including rules relating to the geographic coverage of the satellite system, handset functionality and network control. However, TMI and TerreStar believe that new services would be frustrated if ATC authority were limited to MSS systems which have been operational for one or more years. Spectrum flexibility should be available to any licensee which satisfies the FCC's basic technical requirements—there should be no prior "in-service" qualification period.

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During the meeting TMI also stated that, as shown in its reply comments in ET Docket No. 00-258, no credible demand showing has been submitted to warrant the reallocation of any 2 GHz MSS spectrum for 3G services. A copy of the aforementioned comments, which are already a matter of public record, were provided to Mr. Tramont.

Please direct any questions regarding this *ex parte* notice matter to the undersigned.

Very truly yours,

Gregory C. Staple /s/

cc: Bryan Tramont
Aaron Horowitz

bcc: Lon Levin (w/ enclosure)
Zie Rivers (w/ out enclosure)
Bob Powers (w/ enclosure)