

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In re Applications of)	
)	
Globalstar, L.P. and L/Q Licensee, Inc.)	IB Docket No. 03-136
(Transferor/Assignor) and)	File Nos.:
New Globalstar Corporation (Transferee/Assignee))	SAT-ASG-20030527-00095
)	SES-T/C-20030527-00700
For Consent to Assign and Transfer Control of)	SES-T/C-20030527-00701
Licenses and Authorizations Pursuant)	SES-T/C-20030527-00699
Sections 214(a) and 310(d) of the)	ITC-T/C-20030529-00266
Communications Act)	SAT-AMD-20030527-00096

To: Chief, International Bureau

**JOINT REPLY OF NEW GLOBALSTAR CORPORATION, GLOBALSTAR, L.P., AND
L/Q LICENSEE, INC.**

Pursuant to Public Notice, DA 03-1932 (released June 12, 2003), New Globalstar Corporation (“New Globalstar”), Globalstar, L.P. (“GLP”), and L/Q Licensee, Inc. (“LQL”) (collectively, “the Applicants”), submit this reply to the comments filed regarding the above-referenced applications seeking transfer or assignment of certain licenses controlled by GLP and LQL to New Globalstar Corporation (“the Transaction”). As detailed in the applications, New Globalstar is acquiring these licenses as part of a plan for GLP to emerge from Chapter 11 bankruptcy and pursuant to a court-approved bankruptcy sale of GLP assets.

No party sought denial of these applications. Only three comments were filed from: (1) Robert Higginbottom, a disgruntled shareholder of a public company that is one of the general partners of GLP; (2) the Department of Justice (“DOJ”) and Federal Bureau of Investigation (“FBI”), jointly; and (3) the Official Creditors Committee of GLP, (“Creditors’ Committee”) supporting grant of the applications. As explained below, none of these comments provides any

reason for the Commission to delay processing and grant of the pending applications.

Accordingly, the Applicants urge the Commission to act expeditiously so that the benefits detailed in the applications will become available to the public.

Robert Higginbottom. Mr. Higginbottom's comments serve merely to air his grievances as a disappointed shareholder of Globalstar Telecommunications Limited ("GTL").¹ He previously filed documents with the U.S. Bankruptcy Court in Delaware in GLP's Chapter 11 proceeding that can only be considered irrelevant to the bankruptcy case. He appeared in person and was heard by the judge in connection with the Transaction and GLP's Settlement Agreement and Release Agreement with Loral Space & Communications Ltd. The judge rejected without elaboration the same arguments that Mr. Higginbottom makes in his comments here.²

Mr. Higginbottom claims to represent the "Informal Equity Committee" of GTL. This is a blatant misrepresentation. There is no such entity. In GLP's bankruptcy case, the shareholders of GTL, through their board of directors, moved the bankruptcy court to form an Equity Committee to participate in the Chapter 11 case. The judge denied the motion by Order dated August 13, 2002, attached hereto as Attachment 1. No "informal committee" was thereafter formed. Mr. Higginbottom represents only himself.

"Informal Committee" or not, Mr. Higginbottom has no authority of any sort to claim to represent GTL or its shareholders as a class before the Commission. GTL is represented, when it elects to be represented, by its board of directors, two of whom are also members of GLP's General Partners' Committee. GTL, through its board of directors and its Restructuring Officer,

¹ Mr. Higginbottom does not actually allege that he is a shareholder of GTL. GLP has no way of confirming that he is a shareholder; however, we will assume that he is for purposes of this Reply Comment. GTL's role as a general partner of GLP and its ownership interest therein are documented in *Vodafone Americas Asia Inc. (Transferor)*, Order and Authorization, 17 FCC Rcd 12849 (IB 2002).

² The Bankruptcy Court summarily rejected Mr. Higginbottom's assertions in approving both the Loral Settlement and the Transaction on April 14 and April 25, 2003, respectively.

provided written notice to GLP of its consent to the Transaction as of June 23, 2003.³ Mr. Higginbottom may disagree with the GTL board's decision to endorse the Transaction, but he may not usurp the board's legal authority before the Commission by inventing a nonexistent "informal committee" and then falsely claiming to represent other GTL shareholders.

Mr. Higginbottom is simply a single disgruntled shareholder who has a history of complaining in every available forum. His filing, which misrepresents his legal status and is muddled and virtually incomprehensible, is certainly irrelevant to the Commission's evaluation of the Transaction. The legal entity that represents the GTL shareholders—its board of directors—supports the Transaction, which the Commission should approve promptly.

DOJ/FBI. DOJ and FBI have filed a request for the Commission to defer action on the pending applications until such time as these agencies and the Applicants have completed negotiations regarding New Globalstar's responsibilities under certain national security and law enforcement laws and policies. GLP, ICO Global Communications (Holdings) Limited ("ICO") and New Globalstar Corporation have engaged in a dialog with DOJ and FBI regarding New Globalstar's assumption of the responsibilities and obligations currently held by GLP, Globalstar Corporation and Globalstar USA, L.L.C., with respect to national security and law enforcement issues. New Globalstar intends to assume such responsibilities and obligations with respect to the Globalstar system upon consummation of the transaction, and the parties have provided a draft agreement memorializing that commitment. The Applicants expect to reach an appropriate agreement with DOJ and FBI near term. Accordingly, there is no basis for the Commission to defer immediate consideration of the applications.

³ Although it is not germane to the Commission's consideration of the Transaction, we note that GTL's board of directors negotiated on behalf of the shareholders for, and received from ICO, the right to participate in any future offering of equity securities in New Globalstar. In most bankruptcy cases, shareholders of the debtor receive absolutely nothing in the restructuring.

In addition, the Applicants have submitted all required information to DOJ, including a notification of the Transaction under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (“HSR Act”). The initial 30-day waiting period required under the HSR Act expired without a second request for additional information from DOJ, and so, DOJ has completed its antitrust review of the Transaction under the HSR Act.

Creditors’ Committee. The Creditors’ Committee fully supports the Transaction and urges the Commission to grant the pending applications so that the Transaction can be effectuated. The Creditors’ Committee has detailed how the Transaction will benefit the Globalstar system, the markets for mobile satellite service (“MSS”), and consumers. The Committee represents the interests of hundreds of parties who will actually have their claims extinguished as a result of the Transaction in exchange for equity in New Globalstar. Its support for the Transaction indicates that there is a sound basis for finding that the Globalstar system will succeed with this new financing and opportunity to offer important telecommunications services to the public.

Conclusion. No party disputes the myriad public interest benefits resulting from the Transaction, including: (1) facilitating the productive use of satellite assets that otherwise would become idle; (2) providing an infusion of capital and additional investment in an operational MSS system; (3) fostering vigorous MSS competition; and (4) ensuring the continued provision of satellite services that are particularly critical to those in rural and underserved areas who rely on ubiquitous satellite infrastructure to obtain basic and advanced telecommunications services, as well as emergency and humanitarian relief services. As the Creditors’ Committee acknowledged, “the proposed transaction is Globalstar’s best, and perhaps last, hope to access

the capital it needs to emerge from bankruptcy as a vibrant competitor capable of fully realizing the potential public interest benefits of MSS.”⁴

In the absence of any genuine dispute over the public interest benefits of the Transaction, the Applicants urge the Commission to approve the applications on an expedited basis and immediately following DOJ/FBI notification of the resolution of outstanding national security, law enforcement, and public safety issues.

Respectfully submitted,

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Date: July 24, 2003

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⁴ Comments of Globalstar Official Creditors' Committee at 10.

CERTIFICATE OF SERVICE

I, Theresa L. Pringleton, hereby certify that a copy of the foregoing **JOINT REPLY** has been served this 24th day of July 2003 via electronic mail or First Class U.S. Mail (*) on the following:

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ATTACHMENT 1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
GLOBALSTAR CAPITAL)
CORPORATION, et al.,) Case No. 02-10499
Debtors.) Jointly Administered
Docket Ref. No. 279

ORDER

The proposed committee of equity holders having moved this Court by Motion dated June 17, 2002 for an order directing the Office of the United States Trustee to appoint an Official Committee of Equity Holders and the Motion having come on to be heard before this Court on July 12, 2002, and based upon the record at the hearing and the reasons set forth thereon, it is hereby

ORDERED that the Motion is denied.

Dated: Wilmington, Delaware
August 13, 2002


PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE