

Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In re Applications of:	)	
	)	
GLOBALSTAR, L.P., and	)	IB Docket No. 04-4
L/Q LICENSEE, INC.,	)	
	)	File Nos.:
Transferor/Assignor, and,	)	SAT-ASG-20031219-00361
	)	SES-T/C-20031223-01870
NEW OPERATING GLOBALSTAR LLC,	)	SES-T/C-20031213-01871
	)	SES-T/C-20031223-01872
Transferee/Assignee.	)	ITC-T/C-20031223-00569/70/71
	)	SAT-AMD-200319-00362
	)	SES-AMD-20031223-01873

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To: Chief, International Bureau

**JOINT REPLY OF NEW OPERATING GLOBALSTAR LLC,  
GLOBALSTAR, L.P., L/Q LICENSEE, INC., and  
THERMO CAPITAL PARTNERS, L.L.C.**

Pursuant to Public Notice DA 04-39 (released January 9, 2004), New Operating Globalstar LLC ("NGLLC"), Globalstar, L.P. ("GLP"), L/Q Licensee, Inc. ("LQL"), and Thermo Capital Partners, L.L.C. ("TCP") (collectively, "the Applicants"), submit this Joint Reply to the comments filed regarding the above-referenced applications that seek transfer of control of licensee companies, or assignment of licenses, from GLP and LQL to NGLLC, for licenses related to operation of the Globalstar 1.6/2.4 GHz Mobile-Satellite Service ("MSS") system. As detailed in the underlying applications, through a financial investment from TCP and its affiliates, NGLLC is acquiring these companies and licenses as part of a plan for GLP to emerge from Chapter 11 bankruptcy ("the Thermo Transaction").

## I. INTRODUCTION

No petitions to deny or formal oppositions were filed against these applications on the specified date for filing such pleadings. Only two comments were filed, and neither questioned the public interest benefits set forth in the applications. Ron Bible, apparently a disgruntled shareholder in a public company that is one of the general partners in GLP, aired grievances about the financial difficulties of the Globalstar system that are not within the power of the Commission to resolve, but which can be improved by approval of the transfer. Iridium Satellite, LLC ("Iridium"), the licensee of the only other operational 1.6/2.4 GHz MSS system, requested a condition be placed upon grant of the applications. But that condition is not germane to this proceeding or to the transfers of licenses generally.

## II. THE COMMENTS PRESENT NO BASIS FOR DELAY OF GRANT.

In considering these applications, the legal standards under Sections 214(a) and 310(d) of the Communications Act of 1934, as amended, require the Commission to "weigh the potential public interest harms against the public interest benefits to ensure that, on balance, the proposed transaction will serve the public interest, convenience and necessity."<sup>1</sup> As explained briefly below, neither Mr. Bible's nor Iridium's comments provide any reason for the Commission to delay

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<sup>1</sup> Orbital Communications Corp. and ORBCOMM License Corp., 17 FCC Rcd 4496, 4502-03 (Int'l Bur. 2002).

processing and grant of the pending applications. Accordingly, the Applicants urge the Commission to act expeditiously so that the benefits of the Thermo Transaction, as detailed in the applications, will become available to the public expeditiously, and the Globalstar system can emerge from bankruptcy and be relaunched to continue to provide, and to expand, critical telecommunications services to consumers in the United States and globally.

Ron Bible. Mr. Bible has filed comments in this proceeding as a public forum to air his grievances about the financial fortunes of the Globalstar system. Although he does not identify himself as such, he apparently is filing here as a disappointed shareholder of Globalstar Telecommunications Limited ("GTL").<sup>2</sup> Similar objections have been raised by GTL shareholders with the U.S. Bankruptcy Court in Delaware in Globalstar's Chapter 11 proceeding, none of which was considered relevant to the bankruptcy case. The bankruptcy court judge rejected without elaboration arguments similar to those that Mr. Bible makes in his comment here in an Order dated August 13, 2002 (Docket Ref. No. 279).<sup>3</sup>

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<sup>2</sup> Mr. Bible's failure to identify his interest negates his standing to object to the transfer of licenses proposed in the applications. See Brian L. O'Neill, 6 FCC Rcd 2572, 2574 (1991). GLP has no way of confirming that Mr. Bible is a shareholder; however, we will assume that he is for purposes of this Reply. GTL's role as a general partner of GLP and its ownership interest therein are documented in Vodafone Americas Asia Inc. and Globalstar Corporation, 17 FCC Rcd 12849 (Int'l Bur. 2002).

<sup>3</sup> Although it is not germane to the Commission's consideration of the Thermo Transaction, we note that GTL's shareholders received from NGLLC the right to participate in a future offering of equity securities in NGLLC.

In short, Mr. Bible's comments are irrelevant to the Commission's evaluation of the public interest benefits of the Thermo Transaction. Mr. Bible has raised no issue relevant to the Commission's considerations under Sections 214(a) and 310(d) of the Act. His comments simply do not bear on the public interest analysis for grant of these applications, and must be disregarded.

Iridium Satellite. Iridium's comments on the Thermo Transaction are just as irrelevant as Mr. Bible's. Iridium does not object to the Thermo Transaction at all. It simply asks the Commission to condition grant of the transfer applications on Globalstar's compliance with the rules adopted in IB Docket No. 02-364.<sup>4</sup>

Iridium's request is entirely misplaced. The Commission has repeatedly noted that the only relevant issues for consideration of an application for transfer of FCC licenses are weighing the competitive benefits and harms, the applicants' qualifications, and any Executive Branch concerns.<sup>5</sup> Iridium has questioned none of these issues regarding NGLLC.

Iridium claims that the requested condition is needed because GLP argued in the Big LEO Bands Rulemaking proceeding that its rights under Section 316 of the Communications Act would be violated by a modification of its spectrum assignment in the rulemaking. Ostensibly seeking to "foreclose any further dispute," Iridium

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<sup>4</sup> See Review of the Spectrum Sharing Plan Among Non-Geostationary Satellite Orbit Mobile-Satellite Service Systems in the 1.6/2.4 GHz Bands, Notice of Proposed Rulemaking, 18 FCC Rcd 1962, 2087 (2003) ("Big LEO Bands Rulemaking").

<sup>5</sup> See, e.g., Orbital Communications Corp., 17 FCC Rcd at 4502-03; Vodafone Americas Asia Inc., 17 FCC Rcd at 12853-54.

claims that the Commission should resolve the Section 316 issue in this adjudicatory proceeding.

To the extent relevant to the Big LEO Bands Rulemaking issues, Section 316 requires that the Commission notify the licensee in writing of any proposed changes in spectrum assignment and provide an opportunity for it to protest the specific modifications.<sup>6</sup> The Public Notice for the approval of the underlying applications regarding the Thermo Transaction (DA 04-39) makes no mention of the spectrum assignment issues raised in IB Docket No. 02-364, and does not set forth any proposed modification of spectrum licenses related to the Globalstar system. Therefore, even if this adjudicatory proceeding were somehow connected to the Big LEO Bands Rulemaking docket, which it is not, the Commission did not establish the necessary foundation for including the Section 316 issue in the context of these transfer and assignment applications. The Section 316 issue should be resolved in the context of IB Docket No. 02-364, where it was raised, not here.

By raising the Section 316 issue in the Big LEO Bands Rulemaking, GLP did not suggest that it would violate the rules adopted in IB Docket No. 02-364. GLP, LQL and NGLLC are fully aware of their obligations as Commission licensees to adhere to the applicable rules and policies promulgated in that proceeding, and the Applicants have sought no exemption, waiver, or grandfathering of any kind regarding Globalstar's use of the 1.6/2.4 GHz spectrum as part of the transfer of

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<sup>6</sup> 47 U.S.C. § 316(a).

control of licenses. Accordingly, Iridium's comment and request are irrelevant to the applicable public interest analysis, and should be deferred to the context of IB Docket No. 02-364.

### **III. THE PUBLIC INTEREST REQUIRES PROMPT GRANT OF THE CAPTIONED APPLICATIONS.**

The public record in this proceeding reflects both the service to the public that Globalstar is providing and the substantial investment that TCP has made, and is prepared to make, in NGLLC and the Globalstar system. Notwithstanding this, the economics of transitioning a bankrupt entity back to a viable business can be precarious. Delay in grant of the applications could adversely affect the anticipated recovery. It would, at the least, inhibit future investment (during any period of continuing application pendency) necessary for the licensees to expand service offerings to the public, and thereby enhance the competitive standing of the system. Similarly, delay could frustrate general upgrading of service quality and operational inefficiencies at a time when competitive forces simply will not permit the Globalstar system to remain stagnant. Accordingly, the Applicants urge the Commission to act promptly on the captioned applications.

### **IV. CONCLUSION**

The Applicants have set forth in detail the public interest benefits resulting from the Thermo Transaction, including: (1) facilitating the productive use of the Globalstar system assets; (2) providing an infusion of capital and additional investment in an operational MSS system; (3) fostering robust MSS competition;

and (4) ensuring the continued provision of satellite services that are particularly critical to persons in rural and underserved areas who need the ubiquitous satellite infrastructure to obtain basic and advanced telecommunications services. Indeed, these are exactly the public interest benefits that the Commission recognized when it approved the transfer of the licenses related to the ORBCOMM and Iridium satellite systems out of bankruptcy.<sup>7</sup>

No one disputes the public interest benefits of granting the license transfers and assignments for the Globalstar system. Nor can anyone genuinely dispute the need for the Commission to act quickly in granting the captioned applications.

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<sup>7</sup> See Space Station System Licensee, Inc., and Iridium Constellation LLC, 17 FCC Rcd 2271, 2286-87, ¶ 34 (Int'l Bur. 2002) ("Because this transaction permits the Iridium system to emerge from bankruptcy and continue operations, the competitive impact is likely to be beneficial."); Orbital Communications Corp., 17 FCC Rcd at 4504, ¶ 15 ("Successful emergence from bankruptcy is critical to the continued operation and expansion of the ORBCOMM system.").

In the absence of any dispute over the public interest benefits of the Thermo Transaction, the Applicants urge the Commission to approve the applications. Moreover, given Globalstar's effort to emerge from a lengthy bankruptcy proceeding, the Applicants urge the Commission to act as expeditiously as possible.

Respectfully submitted,

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February 13, 2004

## CERTIFICATE OF SERVICE

I, William D. Wallace, hereby certify that I have on this 13th day of February, 2004, caused to be served true and correct copies of the foregoing "Joint Reply" upon the following persons via e-mail delivery (marked with an \*) or first-class, United States mail, postage prepaid:

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