Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Annual Report to Congress on Status of Competition in the Satellite Services Market	)	IB Docket No. 06-67
	)	
	)	

COMMENTS OF MOBILE SATELLITE VENTURES SUBSIDIARY LLC

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Dated: April 19, 2006

Summary

In general, the markets for land and aeronautical Mobile Satellite Services ("MSS") are competitive, with the significant exception of the more mature market for maritime MSS, which continues to be dominated by Inmarsat. In the land MSS market in the United States, there are at least six facilities-based service providers and many additional resellers, which should be a sufficient number of competitors to facilitate robust competition. Inmarsat, however, continues to dominate the market for maritime MSS, with an over 75% market share. Inmarsat's dominance of the maritime MSS market is not attributable to its superior quality or competitive pricing; it is attributable to its nearly two decade-long legal monopoly of the sector and its continued strong support at the International Maritime Organization (IMO). Iridium, Globalstar, some Earth Station on Vessel ("ESV") operators, and MSV (at least in waters extending to 200 miles offshore) are the only entities capable of contesting Inmarsat's dominant position in the maritime MSS sector.

With respect to the domestic market for wireless broadband services, emerging next-generation MSS systems supplemented by an Ancillary Terrestrial Component ("ATC") have the potential to compete vigorously with terrestrial wireless providers. Notwithstanding the potential of MSS and ATC to provide this additional competition in the market, this potential may go unrealized if Inmarsat is successful in its anticompetitive efforts to frustrate the effective implementation of next-generation MSS systems. Accordingly, the Commission's Annual Report should detail Inmarsat's anticompetitive conduct and recommend action to require Inmarsat to (i) return disputed spectrum to the rightful L band operators; (ii) coordinate the use of its new satellites to avoid harmful interference to other L band MSS operators; and (iii) facilitate access to contiguous L band frequency blocks.

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Mobile Satellite Ventures Subsidiary LLC ("MSV")[1] hereby files these Comments in response to the Commission's Public Notice soliciting data and information to assist in the preparation of the first Annual Report to Congress on Status of Competition in the Satellite Services Market ("Annual Report").[2] As a provider of Mobile Satellite Service ("MSS"), MSV appreciates the opportunity to comment on the status of competition in MSS markets, and the more general market for wireless broadband services.

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[1] MSV is the entity authorized by the Commission in 1989 to construct, launch, and operate a U.S. mobile satellite service ("MSS") system in the L band. MSV's licensed satellite (AMSC-1) was launched in 1995, and MSV began offering satellite service in 1996. MSV is also the successor to TMI Communications and Company, Limited Partnership ("TMI") with respect to TMI's provision of L band MSS in the U.S. Today, MSV offers MSS, including voice and data, services throughout the United States, including the Virgin Islands and coastal areas up to 200 miles offshore. In November 2004, MSV became the first entity licensed to operate an Ancillary Terrestrial Component ("ATC"). In January 2005, the Bureau licensed MSV to launch and operate an L band MSS satellite at 63.5°WL (called "MSV-SA") to provide MSS in South America. In May 2005, the Bureau licensed MSV to launch and operate a replacement L band MSS satellite at 101°WL (called "MSV-1"). MSV recently announced that it has entered into a contract with Boeing Satellite Systems, Inc. for the construction and delivery of three next-generation, transparency class L band satellites to serve the Western Hemisphere. The satellites will be among the largest and most powerful commercial satellites ever built.

[2] *See IB Invites Comment for Annual Report to Congress on Status of Competition in the Satellite Services Market*, DA 06-635 (March 20, 2006) ("*Public Notice*").

Background

On March 20, 2006, the Commission issued a Public Notice soliciting data and information to assist in the preparation of its first Annual Report on the state of competition in markets for domestic and international satellite services. *See Public Notice*. Pursuant to the Commission's statutory mandate, the Commission seeks, *inter alia*, to (i) identify the number and market share of competitors in domestic and international satellite markets; and (ii) analyze whether there is effective competition in the market for domestic and international satellite services. *Id.*

Discussion

I. WITH ONE EXCEPTION, THERE APPEARS TO BE EFFECTIVE COMPETITION AMONG EXISTING MSS SYSTEMS

A. There Appears to Be Effective Competition in the Markets for Land and Aeronautical MSS

Land MSS providers, such as MSV, provide valuable mobile voice and mobile data services to end-user customers via satellite throughout the United States. Because land MSS providers have ubiquitous coverage, they are particularly valuable in rural and remote areas. For example, MSV's service is available everywhere in North America, including underserved rural areas. Rural customers can access MSV's satellites with their mobile terminals from any point with a clear line-of-sight to the sky. For these reasons, land MSS is well-suited for providing service to rural and remote areas.

Land MSS also plays a critical role with respect to public safety communications. Recent events have tragically underscored the vulnerability of terrestrial communications infrastructure to both natural disaster and deliberate attack. Satellite systems do not share this vulnerability; satellites are located high above the earth and are thus not impacted by ground-based disasters. MSV's system is particularly well-suited for public safety communications, and has been

recognized as such by MSV's customers.[3] MSV offers ubiquitous coverage using satellite capacity that can be dynamically reassigned to facilitate communications in geographic areas impacted by a disaster. Because of the high-capacity of MSV's system, public safety users, even at peak times, have received reliable communications.

The land MSS market is characterized by effective competition. There are currently at least six facilities-based providers of domestic land MSS in the United States (MSV, Inmarsat, Iridium, Globalstar, Orbcomm, and Omnitracs), numerous resellers, as well as terrestrial competitors.[4] Although some of these providers operate in different frequency bands, they are properly viewed as competitors. As the Commission recently affirmed in the *Sprint Nextel Merger Order*, markets are defined based on the degree to which services are interchangeable from the perspective of the consumer, and not by the frequency band used to provide those services.[5] Accordingly, as the Commission has previously concluded, all operators providing

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[3] Since MSV began to offer service in 1996, a large portion of its customer base has consisted of public safety and emergency responders at the federal, state, and local levels. During the Hurricane Katrina and Hurricane Rita relief efforts, MSV quickly provided service to public safety and relief organizations in the affected areas. When state, federal and local government officials in the affected areas called asking for satellite phones, MSV shipped them immediately without waiting for the paperwork and provided free service to critical state and local first responders. MSV also reached out to federal, state, and local public safety and other agencies to provide additional help. MSV is continuing these efforts.

[4] *See Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993*, 20 FCC Rcd 15908 at ¶ 35 (2005) ("*10th Annual CMRS Competition Report*"); *see also Motient Services, Inc. and TMI Communications and Company, LP Assignors and Mobile Satellite Ventures Subsidiary LLP Assignee Order and Authorization*, 16 FCC Rcd 20469, ¶ 24 (Int'l Bur. 2001). Some operators, such as Orbcomm and Omnitracs, are able to provide only low-speed data services and may not compete in all of the MSS sub-markets, such as the market for voice service.

[5] *See Nextel Communications, Inc. and Sprint Corporation*, 20 FCC Rcd 13967, at ¶ 156 (2005) (concluding that Sprint Nextel's dominance of 2.5 GHz spectrum did not raise competitive concerns given projected competition from multiple providers operating in other spectrum bands) ("*Sprint Nextel Merger Order*"); *10th Annual CMRS Competition Report* at ¶ 21 ("The basic economic principle for defining the scope of the relevant product market is to include two

land mobile service in the United States should be considered as competitors in the land mobile market.[6]

Similar to the land MSS market, there appears to be effective competition in the market for aeronautical MSS, which MSV considers for purposes of these Comments to consist principally of service to airborne airline passengers. Airline passenger connectivity is provided not only by competing satellites operators, such as Inmarsat in the L band and Connexion by Boeing and ARINC in the Ku band, but also by terrestrial air-to-ground operators. In addition, the Commission has taken steps to introduce new competitive services by proposing to liberalize the in-flight use of cellular and PCS handsets, and by facilitating the use of 800 MHz air-to-ground spectrum.[7] Although MSV does not have market share data for the aeronautical MSS market, there would appear to be a sufficient number of competitors to facilitate effective competition.

B. Inmarsat Dominates the Market for Maritime MSS

The market for maritime MSS is far less competitive than the markets for land and aeronautical MSS. For purposes of these Comments, the market for "maritime MSS" refers to

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mobile services in the same product market if they are essentially interchangeable from the perspective of most consumers – that is, if consumers view them as close substitutes."). In light of these decisions, the Commission should revisit its presumption that "at least three competitors in a frequency band" are required to maintain effective competition among service providers. *See Amendment of the Commission's Space Station Licensing Rules and Policies*, 18 FCC Rcd 10760, at ¶ 64 (2003).

[6] *See Use of Returned Spectrum in the 2 GHz Mobile Satellite Service Frequency Bands*, FCC 05-204, IB Docket 05-220, at ¶ 33 (Dec. 9, 2005); *see also Motient Services, Inc. and TMI Communications and Company, LP Assignors and Mobile Satellite Ventures Subsidiary LLP Assignee Order and Authorization*, 16 FCC Rcd 20469, ¶ 24 (Int'l Bur. 2001).

[7] *Amendment of the Commission's Rules to Facilitate the Use of Cellular Telephones and other Wireless Devices Aboard Airborne Aircraft*, 20 FCC Rcd 7551 (2005); *Amendment of Part 22 of the Commission's Rules To Benefit the Consumers of Air-Ground Telecommunications Services*, 20 FCC Rcd 4403 (2005).

mobile satellite services provided to ocean-going vessels that are not close to shore. In areas close to shore, maritime users have numerous alternatives to satellites for communications, including terrestrial wireless providers. MSV also provides maritime MSS in waters 200 miles off the coast of North America, but presently lacks the global coverage to provide service to ships on trans-oceanic voyages.

Unlike the land MSS market, which is competitive, the maritime MSS market is clearly dominated by Inmarsat. Despite the fact that Iridium, Globalstar, and some C band Earth Stations on Vessels ("ESVs")[8] have global coverage and therefore can serve trans-oceanic maritime users, both Morgan Stanley and Dresdner Kleinwort Wasserstein estimate that Inmarsat controls over 75% of the maritime MSS market.[9] Inmarsat's dominance of the maritime MSS market is not attributable to its superior quality or competitive pricing; it is attributable to its head start as an international, government-owned monopoly and its strong support at the International Maritime Organization (IMO).

Inmarsat was established in the late 1970s as a legal monopoly owned largely by foreign government post, telephone, and telegraph ("PTT") administrations. From its base as a monopoly, Inmarsat gradually built a fleet of satellites to provide global service, primarily to

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[8] The Commission has explained that C band satellite coverage extends to very large portions of the Earth's surface, including ocean areas. *See Procedures to Govern the Use of Satellite Earth Stations on Board Vessels in the 5925-6425 MHz/3700-4200 MHz Bands and 14.0-14.5 GHz/ 11.7-12.2 GHz Bands*, 20 FCC Rcd 674, ¶ 16 (2005).

[9] *See* Morgan Stanley, *Equity Research: Inmarsat*, at 30 (Aug. 5, 2005) ("Morgan Stanley Report"); Dresdner Kleinwort Wasserstein, *Equity Research: Inmarsat*, at 14 (Dec. 19, 2005). In a May 2004 filing with the Securities and Exchange Commission ("SEC"), Inmarsat explained that "In the maritime sector, we believe we are the leading provider of global mobile satellite services, with 2002 revenues in excess of 30 times those of our nearest competitor." *See* Inmarsat Finance plc, Form F-4 Registration Statement -- Exchange Offer for 7 5/8% Senior Notes due 2012 (May 25, 2004) ("*Inmarsat May 2004 SEC Form F-4*"), *available at*: http://www.sec.gov/Archives/edgar/data/1291396/000104746904018513/a2136361zf-4.htm

large, ocean-going vessels. For over fifteen years, Inmarsat was the only MSS system in operation and, as a result of this monopoly heritage, it developed a dominant position in the MSS market. While new MSS competition was introduced in the mid-1990s and Inmarsat was eventually privatized in 2000, by that time most large maritime vessels had already installed equipment that used proprietary Inmarsat protocols and that could not operate with emerging MSS competitors. As a result, Inmarsat to this day enjoys a substantial advantage as the incumbent provider for the vast majority of the maritime MSS market. Inmarsat has bluntly admitted that its "relatively large installed base of terminals" is likely to prove stable as "the cost and time required to switch to a competing system could be substantial."[10] Given the inherent "stickiness" of the market, which prevents maritime MSS customers from switching to other providers, it is difficult for any provider to effectively compete with Inmarsat.

Inmarsat's dominance of the maritime MSS market is further bolstered by its continued strong support at the International Maritime Organization (IMO), which establishes standards and requirements for the Global Maritime Distress and Safety System (GMDSS). Inmarsat is the only MSS provider currently approved for satisfaction of GMDSS requirements. Although the membership requirements were modified in 1999, Inmarsat has been able to shape GMDSS requirements to ensure that Inmarsat is the sole MSS provider capable of supporting GMDSS in accordance with the IMO's technical specifications. As a result, other MSS providers have been effectively foreclosed from competing with Inmarsat's GMDSS offering. By extension, and as a result of Inmarsat's successful leveraging of its control of the IMO and GMDSS requirements, other MSS providers have also been foreclosed from competing with Inmarsat's maritime service

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[10] *See Inmarsat plc Prospectus* (June 1, 2005), at 31 ("*Inmarsat Prospectus*") (emphasis added), *available at* http://www.inmarsat.com/files/downloadnew.aspx?file=Investor Relations/Documents/Inmarsat plc Prospectus.pdf&language=EN&textonly=False.

offerings generally. Morgan Stanley has noted that while the distress communications portion of the GMDSS "provides no revenue to the company, it continues to allow Inmarsat to embed itself in the communication systems of most vessels, from which the company can then sell additional services," and provides a disincentive for vessels to use competing providers.[11] Inmarsat has further explained that its "market-leading position in the maritime sector is underpinned by [its] role as the *sole provider* of satellite services required for the operation of the GMDSS, and by maritime sector regulations that require all cargo vessels over 300 gross tons and all passenger vessels, irrespective of size, which travel in international waters to carry distress and safety terminals that use [its] services."[12] Notwithstanding, the only entities capable of contesting Inmarsat's dominant position in the maritime MSS sector are Iridium, Globalstar, and perhaps some ESV providers, which maintain global coverage, and consequently the ability to serve ocean-going vessels effectively.

II. NEXT-GENERATION MSS SYSTEMS CAN COMPETE EFFECTIVELY IN THE MARKET FOR WIRELESS BROADBAND SERVICES

Next-generation MSS systems supplemented with ATC have the potential to compete vigorously with terrestrial wireless providers in the market for wireless broadband services. The high costs of current-generation MSS are the inevitable result of the absence of economies of scale that comes from the limited spectrum reuse and building penetration available to even the most efficient satellite system, relative to a terrestrial wireless system. ATC, however, will provide the coverage, capacity, and economies of scale needed to overcome this vicious cycle

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[11] Morgan Stanley Report at 30 ("The fact that many of Inmarsat's terminals have been installed for years in ships (almost by default and providing security services) makes switching less attractive, in our view.").

[12] *See Inmarsat May 2004 SEC Form F-4*, *supra* note 9, at 2, 77, 81.

with a virtuous one of affordable equipment and service that puts spectrum to use from the most densely populated urban cores to the most remote areas.

In February 2003, the Commission issued rules permitting MSS licensees to integrate ATC into their satellite systems.[13] The Commission's order hailed the value of ATC, finding that the expanded authority would promote the efficient use of MSS spectrum, allow MSS providers to offer ubiquitous service by overcoming coverage gaps in densely populated areas, and achieve economies of scale that would dramatically reduce the cost of MSS equipment and service, promote public safety and national security, and increase competition.[14]

On November 18, 2003, MSV filed an application to operate ATC in connection with the existing and planned L band MSS systems of MSV and MSV Canada.[15] This application was granted on November 8, 2004, making MSV the first MSS licensee authorized to operate ATC.[16] Earlier this year, Globalstar became the second MSS operator licensed to offer ATC.[17] In addition, Inmarsat, ICO, and Terrestar have each stated that they will pursue ATC authority.[18]

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[13] *See Flexibility for Delivery of Communications by Mobile Satellite Service Providers in the 2 GHz Band, the L-Band, and the 1.6/2.4 GHz Bands*, 18 FCC Rcd 1962 (2003) ("*ATC Order*").

[14] *Id.* at ¶¶ 1, 21, 23, 24, 29, and 32.

[15] *See* Application of Mobile Satellite Ventures Subsidiary LLC, File No. SAT-MOD-20031118-00333, File No. SAT-AMD-20031118-00332, File No. SES-MOD-20031118-01879 (filed Nov. 18, 2003).

[16] *Mobile Satellite Ventures Subsidiary LLC, Order and Authorization*, DA 04-3553 (Chief, International Bureau, Nov. 8, 2004). MSV recently filed to modify this license to take advantage of new rules adopted by the Commission in February 2005. *See* MSV, Application, File Nos. SAT-MOD-20051104-00212, SAT-MOD-20051104-00211, SES-MOD-20051110-01561 (Nov. 4, 2005).

[17] *See Globalstar LLC, Order and Authorization*, DA 06-121 (Chief, International Bureau, Jan. 20, 2006).

[18] *Inmarsat Prospectus* at 34 ("These new products could potentially include … participation in an integrated mobile satellite communications/ATC service in the United States and internationally"); *ICO Press Release: ICO North America Closes Sale of $650 Million of*

Given the number of expected MSS/ATC providers, it is clear that the market for MSS/ATC services will be characterized by vibrant competition.

Moreover, next-generation MSS/ATC will compete effectively with terrestrial wireless providers.[19] Recent advances in satellite technology and systems design will soon permit MSS operators to offer high-quality service at low rates using smaller, less-expensive handsets that are comparable to those offered by terrestrial wireless providers. While MSV plans to implement an interim ATC solution using its current-generation satellites as early as late 2007, which will utilize boosters to effectively facilitate hybrid operations, beginning in 2009 MSV will launch and operate a next-generation system using higher-power satellites that will use spot-beam technology in conjunction with ATC. MSV's next-generation satellites, which will be among the largest and most powerful commercial satellites ever built, will provide advanced wireless broadband services throughout the nation, including to the most rural and remote areas, using devices that are virtually identical to cell phone handsets in terms of aesthetics, cost, and functionality. By combining ATC with its next-generation satellites, MSV will offer service that is more efficient, more robust, more dynamic, and less expensive. Moreover, MSV's service will be distinguished by the value-added benefits stemming from the availability of ubiquitous and robust satellite service, benefits which cannot be matched by terrestrial wireless providers

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Convertible Senior Secured Notes (Aug. 15, 2005) ("ICO North America intends to use the offering proceeds to fund a substantial portion of its costs to develop an advanced hybrid satellite terrestrial MSS/ATC system and related components in conjunction with the provision of its mobile satellite services"); Q*uestions and Answers: TMI/TerreStar and Mobile Satellite Communications*, (last visited Apr. 13, 2006) *available at* http://www.terrestarnetworks.com/files/QandA_12-12-05.pdf.

[19] *See* Bruce M. Owen, "Economic Issues Related to the Number of Firms Licensed to Use 2 GHz Spectrum for MSS Services," TMI/TerreStar Second Reply Comments, IB Docket 05-220, Exhibit 4, at 3 (Aug. 15, 2005) (noting evidence that MSS/ATC will compete with terrestrial-only wireless services).

ATC will also facilitate even more efficient, robust, and flexible communications for public safety users. In the case of an emergency where terrestrial networks are unreachable, like Hurricane Katrina, the system will instantly and seamlessly switch to the satellite network, ensuring that emergency responders have continued and immediate access to reliable, interoperable, and redundant communications. First responders and disaster management personnel will be able to ensure that when a disaster occurs they are able to communicate efficiently and effectively in order to save lives. Instead of waiting for satellite phones to arrive or for their local networks to be rebuilt, they will be able to continue using the same phones they carry everyday.

In short, next-generation MSS systems supplemented with ATC will compete vigorously in the market for wireless broadband services.[20] As such, next-generation MSS/ATC operators are properly evaluated as participants in the market for wireless broadband services, which, as the Commission has previously held, is characterized by effective competition.[21]

Notwithstanding existing competition in the wireless broadband market, the Commission should adopt policies to preserve the boost to competition that next-generation MSS systems can

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[20] While MSS/ATC systems will compete with terrestrial wireless operators in the market for wireless broadband services, there are key technological and operational differences between satellite systems and terrestrial wireless systems that require different regulatory treatment.

[21] *See10th Annual CMRS Competition Report* (concluding that market for mobile wireless services is competitive)*; Sprint Nextel Merger Order* at ¶ 167. In the *Sprint Nextel Merger Order*, the Commission found that providers of wireless broadband services that will provide alternative service platforms for last mile services to residences and businesses "will likely compete with digital subscriber line (DSL) and cable modem service providers that already hold significant market share." *Id*. While the Commission acknowledged that wireless broadband services will likely be different from DSL and cable modems in that they will be portable, the Commission stated that "this moderate differentiation does not undermine the substitutability of these products or the definition of a fixed broadband wireless market." *Id*. The FCC also noted that "WiFi and other services are, and will continue to be, available to DSL and cable modem subscribers to provide them with . . . portability characteristics." *Id*.

provide. In particular, given recent consolidation of the terrestrial wireless industry and the exploding demand for wireless broadband services, the Commission should act to promote MSS/ATC as a viable alternative to terrestrial wireless offerings. Although next-generation MSS/ATC has the potential to facilitate much more efficient spectrum use by satellites with much more extensive system capacity, this potential will go unrealized if certain providers are permitted to frustrate the implementation of next-generation MSS/ATC. In particular, MSV is deeply concerned by the efforts of Inmarsat – which operates a highly inefficient MSS system that would suffer by comparison to MSV's next-generation MSS/ATC system – to impede the implementation of ATC by abusing the spectrum management and coordination process.[22]

First, Inmarsat has undercut MSV's ability to implement MSS/ATC by refusing to return spectrum temporarily loaned to it by MSV and MSV Canada.[23] In 1999 and again in 2003, Inmarsat asked MSV if it could "borrow" certain L band frequency bands. MSV agreed to loan the spectrum to Inmarsat on a temporary basis. Inmarsat, however, has failed to return the loaned spectrum. Not surprisingly, MSV's lack of access to the loaned spectrum complicates its

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[22] The high costs of the user equipment and service offered by Inmarsat, such as its new Broadband Global Area Network ("BGAN") service, is the inevitable result of its failure to adopt advancements in space-based technology, which adversely impacts satellite power and efficient spectrum use. Inmarsat's next-generation satellites (called the Inmarsat-4 or I-4 satellites) are several times more powerful than the current generation of Inmarsat satellites, but have only 1/15th the power of MSV's next-generation satellites (an I-4 satellite is capable of approximately 68 dBW AEIRP whereas a next generation MSV satellite is capable of approximately 80 dBW AEIRP). This is primarily due to a significantly smaller antenna aperture of the I-4 satellite (9 meters vs. MSV's 22 meters) resulting in significantly larger spot beams and significantly reduced frequency reuse.

[23] The International Bureau has recently taken action towards terminating Inmarsat's illegal use of loaned-but-recalled frequencies. *See, e.g., Telenor STA Grant*, File No. SES-STA-20060118-00055 et al (January 18, 2006), at ¶ 3. The Bureau has defined "loaned" L band frequencies as "those bandwidth segments that were loaned to Inmarsat by MSV and [Mobile Satellite Ventures (Canada) Inc.], either as part of the Revised 1999 Spectrum Sharing Arrangement (October 4, 1999), or later as bilateral arrangements between Inmarsat and MSV and Inmarsat and MSV Canada." *See id*.

ability to initiate its high speed wireless service with its current satellites and to develop a full complement of these services with its satellites under construction. In addition, Inmarsat's continued use of the loaned-but-recalled spectrum risks interference to MSV's customers.

Second, Inmarsat has refused to coordinate its new satellites, creating uncertainty for and threatening interference to other L band operators. Inmarsat has constructed three, and has launched two, uncoordinated fourth-generation satellites. Inmarsat plans to use these satellites to support the use of Broadband Global Area Network ("BGAN") terminals that use wider bandwidths than the narrowband terminals presently being used with Inmarsat-3 satellites. These planned broadband terminals and the Inmarsat-4 satellites present new spectrum management challenges that require coordination to avoid interference with affected satellite operators. Nevertheless, Inmarsat has not engaged in good faith frequency coordination with affected L band operators regarding the specific frequencies to be used and other characteristics of the planned services. Such coordination is essential to avoid harmful interference to MSV and other MSS providers. There are currently dozens of applications pending before the International Bureau proposing the operation of thousands of mobile earth stations with Inmarsat's uncoordinated satellites.[24] As MSV has explained in opposing these applications, the operation of Inmarsat's uncoordinated satellites prior to an L band coordination agreement will cause harmful interference to the L band MSS systems that compete with Inmarsat.

Third, Inmarsat has maintained its competitive advantage vis-à-vis competing L band MSS providers by frustrating efforts to reconfigure the L band to facilitate fairer and more efficient spectrum access. At present, the L band that Inmarsat and MSV share is highly segmented, which makes it difficult for MSV and other competitors to make the most efficient

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[24] *See* Exhibit A.

use of the spectrum and to deploy the latest broadband technologies. Inmarsat has resisted all efforts to re-band the L band in order to enable competing providers to access contiguous blocks of spectrum.

The Commission can facilitate increased competition in the wireless broadband market and promote innovative broadband services by compelling Inmarsat to (i) return the loaned spectrum; (ii) coordinate the use of its new satellites with other L band MSS operators; and (iii) facilitate access to contiguous L band frequency blocks. MSV urges the Commission in its Annual Report to describe Inmarsat's anticompetitive conduct and recommend action to prevent Inmarsat from stifling the potential of MSS/ATC to be a viable competitor in the wireless broadband market.

Conclusion

MSV requests that the Commission consider these Comments in connection with its preparation of the Annual Report.

Respectfully submitted,

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Exhibit A

Applications Pending to Operate with Uncoordinated Inmarsat Satellites

Applicant	File Number
Stratos Communications Inc.	SES-LFS-20050826-01175 (Call Sign 050249) SES-AMD-20050922-01313 (Call Sign 050249) SES-MFS-20051122-01614 (Call Sign E000180) SES-MFS-20051122-01615 (Call Sign E010050) SES-MFS-20051122-01616 (Call Sign E010048) SES-MFS-20051122-01617 (Call Sign E010049) SES-MFS-20051122-01618 (Call Sign E010047) SES-STA-20051216-01760 (Call Sign E000180) SES-STA-20051216-01761 (Call Sign E010047) SES-STA-20051216-01762 (Call Sign E010048) SES-STA-20051216-01763 (Call Sign E010049) SES-STA-20051216-01764 (Call Sign E010050) SES-STA-20060307-00374 (Call Sign E000180) SES-STA-20060307-00375 (Call Sign E010047) SES-STA-20060307-00376 (Call Sign E010048) SES-STA-20060307-00377 (Call Sign E010049) SES-STA-20060307-00378 (Call Sign E010050) SES-STA-20060310-00419 (Call Sign 050249)
Telenor Satellite, Inc.	SES-LFS-20050930-01352 (Call Sign E050276) SES-AMD-20051111-01564 (Call Sign E050276) SES-MFS-20051123-01626 (Call Sign KA312) SES-MFS-20051123-01627 (Call Sign KA313) SES-MFS-20051123-01629 (Call Sign WA28) SES-MFS-20051123-01630 (Call Sign WB36) SES-STA-20051216-01756 (Call Sign KA312) SES-STA-20051216-01757 (Call Sign WB36) SES-STA-20051216-01758 (Call Sign WA28) SES-STA-20051216-01759 (Call Sign KA313) SES-MFS-20060118-00050 (Call Sign E000280) SES-MFS-20060118-00051 (Call Sign E000282) SES-MFS-20060118-00052 (Call Sign E000283) SES-MFS-20060118-00053 (Call Sign E000285) SES-STA-20060118-00055 (Call Sign E000280) SES-STA-20060118-00056 (Call Sign E000282) SES-STA-20060118-00057 (Call Sign E000285) SES-STA-20060118-00058 (Call Sign E000283) SES-STA-20060119-00064 (Call Sign E000284) SES-MFS-20060130-00172 (Call Sign KA249) SES-LIC-20060130-00175 (Call Sign E060025) SES-STA-20060308-00384 (Call Sign KA312) SES-STA-20060308-00385 (Call Sign KA313) SES-STA-20060308-00386 (Call Sign WA28) SES-STA-20060308-00387 (Call Sign WB36) SES-STA-20060308-00388 (Call Sign E000280) SES-STA-20060308-00389 (Call Sign E000282)

	SES-STA-20060308-00390 (Call Sign E000282) SES-STA-20060308-00391 (Call Sign E000283) SES-STA-20060308-00392 (Call Sign E000284) SES-STA-20060313-00430 (Call Sign E050276)
FTMSC US, LLC	SES-LFS-20051011-01396 (Call Sign E050284) SES-AMD-20051118-01602 (Call Sign E050284) SES-STA-20060314-00438 (Call Sign E050284)
SkyWave Mobile Communications Corp.	SES-MFS-20051207-01709 (Call Sign E030055) SES-STA-20051222-01788 (Call Sign E030055) SES-STA-20060307-00372 (Call Sign E030055)
MVS USA, Inc.	SES-LFS-20051123-01634 (Call Sign E050348) SES-STA-20060316-00454 (Call Sign E050348)
Satamatics, Inc.	SES-MFS-20051202-01665 (Call Sign E020074) SES-STA-20051223-01790 (Call Sign E020074) SES-STA-20060307-00373 (Call Sign E020074)
BT Americas Inc.	SES-LFS-20060303-00343 (Call Sign E060076) SES-STA-20060315-00445 (Call Sign E060076)