

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

In the Matter of	)	
	)	
Service Rules for Advanced Wireless Services in the 2155-2175 MHz Band	)	WT Docket No. 07-195
	)	
Service Rules for Advanced Wireless Services in the 1915-1920 MHz, 1995-2000 MHz, 2020-2025 MHz and 2175-2180 MHz Bands	)	WT Docket No. 04-356
	)	

**COMMENTS**

Mobile Satellite Ventures Subsidiary LLC (“MSV”) hereby submits comments in response to the Commission’s Further Notice of Proposed Rulemaking (“*FNPRM*”) in the above-captioned dockets.<sup>1</sup> In the *FNPRM*, the Commission invites comments on the adoption of certain service rules, including the proposal to adopt a relatively aggressive build-out requirement as part of a licensing regime for Advanced Wireless Service (“AWS”) spectrum (the “AWS-3” band) intended to promote “the deployment and ubiquitous availability of broadband services across the country and to facilitate the use of AWS spectrum for the benefit of consumers.”<sup>2</sup> Consistent with these objectives, MSV urges the Commission to permit the AWS-3 licensee to meet the proposed coverage goals in part by relying on a seamlessly integrated satellite component to the terrestrial service offering. Doing so would provide flexibility to the licensee

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<sup>1</sup> See *In the Matter of Service Rules for Advanced Wireless Services in the 2155-2175 MHz Band Service Rules for Advanced Wireless Services in the 1915-1920 MHz, 1995-2000 MHz, 2020-2025 MHz and 2175-2180 MHz Bands*, Further Notice of Proposed Rulemaking, FCC 08-158 (June 20, 2008); see also 73 FR 35995 (June 25, 2008).

<sup>2</sup> *Id.* at 1. Pursuant to the proposed rules, the AWS-3 licensee would be required to “provide signal coverage and offer service to: 1) at least 50 percent of the total population of the nation within four years of commencement of the license term and 2) at least 95 percent of the total population of the nation at the end of the 10-year license term.” *Id.* at 2.

and facilitate the provision of broadband service to all rural and underserved areas, consistent with the Commission's stated strategic goal of "promot[ing] the availability of broadband to *all Americans*."<sup>3</sup>

The goal of nationwide, wireless broadband access is laudable, and MSV supports adoption of policies that facilitate progress towards that goal. However, simply imposing aggressive build-out requirements will not assure attainment of that policy goal. If the requirements are applied inflexibly or indiscriminately, they may undermine the commercial viability of a network and ultimately reduce or delay service to the public.

Today, the four largest mobile service providers cover, on average, 92.7% of the U.S. population.<sup>4</sup> The largest carrier, AT&T, covers 95.7% of the population with a network that has been deployed and evolved for more than 20 years. Using the existing national wireless carriers networks as points of comparison, it appears that 95% is perhaps at the high end of population coverage for a network that must be financed based on a commercial business plan, compete with other national commercial carriers, and be deployed on a fixed time schedule.

MSV believes that if the Commission adopts the proposed build-out requirements for the AWS-3 band it should provide the licensee with the flexibility to meet the coverage goals in part by relying on a seamlessly integrated satellite component to the terrestrial service offering. Doing so would provide significant insurance against burdening a licensee with obligations that turn out to be economically infeasible several years into the license term. No matter how carefully a business plan is drawn, it cannot accurately predict, years into the future, real-world

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<sup>3</sup> See Federal Communications Commission, Draft Strategic Plan 2009-2014, at 5 (June 24, 2008) (emphasis added) ("*FCC Strategic Plan*"), available at <http://www.fcc.gov/omd/strategicplan>.

<sup>4</sup> See UBS Warburg Investment Research, U.S. Wireless 411 (March 18, 2008).

conditions in a competitive market characterized by rapid technological change and an uncertain investment climate. Miscalculation of the impact of aggressive coverage goals can have a devastating impact on financial viability, because the costs of deployment of wireless networks reflect a typical exponential growth curve, i.e. as the network is deployed to cover more of the U.S. population, the incremental costs to serve additional people living in less densely populated areas grow disproportionately and progressively higher. Yet, adding the option of satellite coverage would ensure that nationwide broadband coverage occurs.

The economics of building terrestrial wireless infrastructure follow directly from the population dispersion. According to MSV's review of population dispersion among 66,000 U.S. Census Tracts (arranged by population density), the first 50% of the U.S. population resides in tracts covering only 31,000 square miles, or less than 1% of U.S. land area. The first 75% of the U.S. population, however, are dispersed among nearly 130,000 square miles, an increase of more than four times the land area. Similarly, the first 90% of the U.S. population reside in tracts whose cumulative area is nearly 500,000 square miles, and this figure rises to nearly 900,000 square miles for the next 5% of the U.S. population. The data readily indicates that requiring terrestrial-based coverage at these levels on a defined timeframe will result in markedly increased deployment costs.<sup>5</sup>

Accordingly, MSV proposes that an AWS-3 licensee be given the option to achieve up to 5% of any population-based coverage goal through a seamlessly integrated satellite service. MSV believes that, to qualify for the 5% coverage credit, the AWS-3 licensee would be required to incorporate satellite capability into every access device and to make the satellite service

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<sup>5</sup> See also Comments of Sprint Nextel Corporation, Docket Nos. 06-150 and 06-229, at 2 (June 20, 2008); Comments of MSV, Docket Nos. 06-150 and 06-229, at ii-iii (June 20, 2008).

available on terms that are reasonably comparable to terms available within the terrestrial network coverage area.

Integration of a satellite component also would provide other benefits that are consistent with the Commission’s stated strategic goals beyond potentially tremendous reductions in network construction costs. A satellite component would provide full geographic coverage, with no unserved areas, which is consistent with the Commission’s stated strategic goal of “promot[ing] the availability of broadband to *all Americans*.”<sup>6</sup> Additionally, an integrated satellite component can provide lifeline communications links when terrestrial service is interrupted, facilitating the Commission’s goal of developing policies that promote access to communications services in emergencies.<sup>7</sup>

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<sup>6</sup> See *FCC Strategic Plan*, *supra* note 3, at 5.

<sup>7</sup> See *id.* at 14.

## Conclusion

For the above reasons, MSV urges the Commission to permit the AWS-3 licensee to meet coverage goals in part by relying on a seamlessly integrated satellite component to the terrestrial service offering.

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