

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

In the Matter of)
)
Fixed and Mobile Services in the Mobile Satellite)
Service Bands at 1525-1559MHz and 1626.5-1660.5)
MHz, 1610-1626.5 MHz and 2483.5-2500 MHz, and)
2000-2020 MHz and 2180-2200 MHz)

REPLY COMMENTS

TerreStar Networks Inc. (“TerreStar”) hereby submits this reply to comments in the above-captioned rulemaking and inquiry proceeding. TerreStar submits this reply: (i) to draw the Commission’s attention to certain essential common themes of the comments submitted by entities and organizations with Mobile Satellite Service (“MSS”) and Ancillary Terrestrial Component (“ATC”) service (“MSS/ATC”) interests and entities and organizations without such interests; and (ii) in the only significant area of disagreement, to respond to those non-MSS/ATC terrestrial wireless interests who assert that spectrum now licensed for MSS or MSS/ATC services, if reclaimed by the Commission, should in all cases be repurposed exclusively for terrestrial wireless services.

With regard to the latter point, TerreStar is submitting for the record in Attachment A information about its recently launched distribution/roaming agreement with AT&T. For reasons that are discussed below, this information further militates

against a *per se* rule prohibiting the use of reclaimed 2 GHz spectrum to provide mobile satellite service.

I. COMMON THEMES: SUPPORT FOR FULL AVAILABILITY OF SECONDARY MARKET RULES; CO-PRIMARY ALLOCATION OF SPECTRUM FOR FIXED AND MOBILE SERVICES; AND ELIMINATION OF THE GROUND SPARE REQUIREMENT.

A. Application of Secondary Market Rules.

There is broad support for the application of the Commission's secondary market spectrum leasing policies to MSS/ATC spectrum leasing arrangements. CTIA points out that the Commission's secondary market have "'ensure[d] spectrum gets put to its highest and best use' and promoted efficient deployment of broadband wireless networks."¹ CTIA further reflects the comments of the terrestrial wireless industry generally in stating that "there is no reason why [secondary market rules] should not be extended to MSS licensees."² Similar sentiment is expressed from MSS/ATC interests. New DBSD Satellite Services G.P. is one of several commenting parties (including TerreStar) urging that the same secondary market flexibility that is offered to other Commission licensed services should apply to MSS/ATC services.³

Commenting parties also oppose any limitation on the application of the Commission's spectrum leasing policies to spectrum manager (as opposed to *de facto*

¹ CTIA, Comments, ET Docket No. 10-142 (Sept. 15, 2010) ("CTIA Comments"), at 11-12.

² *Id.* at 12.

³ New DBSD Satellite Services G.P ("New DBSD"), Comments, ET Docket No. 10-142 (Sept. 15, 2010) ("New DBSD Comments"), at 8-10. *See also*, LightSquared Subsidiary LLC ("LightSquared"), ET Docket No. 10-142 (Sept. 15, 2010) ("LightSquared Comments"), at 8-9; EchoStar Satellite Services L.L.C. ("EchoStar"), Comments, ET Docket No. 10-142 (Sept. 15, 2010) ("EchoStar Comments"), 5.

transfer) leases. Cricket Communications states well the position of many commenting parties as follows:

In the *NPRM*, the Commission asks whether it should constrain leasing arrangements in the MSS bands to spectrum manager leases alone. The answer is no. Limiting spectrum leasing to spectrum manager leasing in the MSS bands risks placing an artificial limit on the benefits that can accrue from robust secondary markets in spectrum. *De facto* transfer leasing arrangements in the MSS bands would enhance the development of MSS/ATC services and promote competition by permitting more flexible use of the spectrum. If a spectrum manager lease were the only option, potential lessees with innovative ideas and complementary assets might be deterred from entering into arrangements where they could not control their offering to the public. Moreover, direct oversight of a lessee's activities is often expensive and time-consuming for the licensee, and as the Commission has recognized by approving *de facto* transfer leases in other bands, is not always necessary.⁴

Given the near unanimity among commenting parties on extending the secondary market leasing rules to MSS/ATC licenses, the Commission should move expeditiously to enact such rule changes.

B. Adding Co-Primary Fixed and Mobile Services Allocation to the 2 GHz MSS Band.

There is similar broad-ranging support for the Commission's proposal to add a co-primary fixed and mobile services allocation to the 2 GHz MSS band. The comments

⁴ Cricket Communications, Inc ("Cricket"), Comments, ET Docket No. 10-142 (Sept. 15, 2010) ("Cricket Comments"), at 7. *See also*, T-Mobile USA, Inc. ("T-Mobile"), Comments, ET Docket No. 10-142 (Sept. 15, 2010) ("T-Mobile Comments"), at 5; New DBSD Comments, at 9-10.

of CTIA,⁵ T-Mobile,⁶ EchoStar,⁷ and LightSquared⁸ are among many who support the Commission's proposal in this regard to allow greater flexibility in the use of the band by Commission licensees and greater harmony with international allocations for the band. As discussed below, these parties part company on the disposition of 2 GHz MSS spectrum if it is reclaimed. But that disagreement should not overshadow the fact that there is common support for adding a co-primary allocation to the band.

C. Elimination of Ground Spare Requirement.

Those addressing the issue consistently support the Commission's removal of the obligation to maintain a ground spare as a gating requirement for MSS-ATC licensees. LightSquared points out that this requirement imposes an unnecessary and enormous capital burden on MSS licensees,⁹ capital that could be better spent on development of integrated ATC services. TerreStar also addressed the inefficiency of the ground spare requirement, noting that a satellite that has been maintained in storage for years before launching would be an economic drain, a limit on asset flexibility, and might still be technologically outdated even before it was launched.¹⁰ New DBSD, while not

⁵ CTIA Comments at 10-11

⁶ T-Mobile Comments, at 2-3.

⁷ EchoStar Comments, at 4-5.

⁸ LightSquared Comments, at 11-12.

⁹ LightSquared Comments, at 9-10.

¹⁰ TerreStar, Comments, ET Docket No. 10-142 (Sept. 15, 2010) ("TerreStar Comments"), at 7-9.

addressing the ground spare requirement explicitly, also recommends that the Commission look for ways to relax its ATC gating requirements.¹¹

II. IT IS PREMATURE TO MAKE ANY DETERMINATION REGARDING THE DISPOSITION OF RECLAIMED 2 GHz MSS SPECTRUM.

The comments split along “party lines” on the issue of reclaimed 2 GHz MSS spectrum. Terrestrial wireless interests would like to see any such spectrum assigned solely for terrestrial wireless services.¹² MSS and MSS-ATC interests oppose this proposal.¹³

In TerreStar’s view, the Commission should reserve judgment on reclaimed 2 GHz MSS spectrum until the issue arises in a concrete context. The issue is academic at present because the 2 GHz MSS licensees have, at great expense, satisfied the Commission’s milestones for launching their satellites and placing them into service.

Recent developments, moreover, weigh against requiring that reclaimed 2 GHz MSS spectrum be used exclusively for terrestrial service. As set forth in Attachment A, TerreStar’s 2 GHz MSS service is now available to AT&T customers in unserved and underserved locations and as back-up capacity for public safety agencies, first responders and others during times of crisis when the terrestrial wireless network may be unavailable. Repurposing reclaimed 2 GHz MSS spectrum to terrestrial-only service would deprive these customers of this much-needed service.

¹¹ New DBSD Comments, at 15-16.

¹² See, e.g., CTIA Comments at 11

¹³ See, e.g., MSS ATC Coalition, Comments, ET Docket No. 10-142 (Sept. 15, 2010), at 11-12.

Finally, the approach taken by by the terrestrial wireless interests on this issue is at odds with their other positions. Those parties have touted the benefits of flexibility in supporting the extension of the Commission's secondary market rules to MSS and the addition of a fixed and mobile services allocation to the 2 GHz MSS band. Flexibility is in the public interest on those issues, and the same is true when it comes to reclaimed 2 GHz spectrum.

Respectfully submitted,

TERRESTAR NETWORKS INC.

By: /s/ Alexandra M. Field
Alexandra M. Field
Senior Vice President,
Regulatory Affairs
TerreStar Networks Inc.
12010 Sunset Hills Road
Reston, VA 20191
(703) 483-7800

September 30, 2010

Attachment A:

Since filing its initial comment in this proceeding, TerreStar commenced wholesale commercial operations in conjunction with its first retail partner, AT&T. On September 21, 2010, AT&T announced the addition of Satellite Augmented Mobile (SAM) service to its mobility product portfolio through the availability of the TerreStar GENUS™ smartphone.¹⁴ SAM and the GENUS™ represent new and innovative enhancements to today's 3G wireless ecosystem.¹⁵ Terrestrial and satellite access are integrated in a single wireless handset with a single phone number, adding a satellite connectivity option for GSM network users. SAM extends the scope of mobile access and coverage beyond the domestic and international footprint of terrestrial GSM networks to the geographic reach of the TerreStar-1 satellite.¹⁶

The TerreStar GENUS™ smartphone is an integrated dual-mode multi-band handset for use as a primary everyday mobile device.¹⁷ An AT&T customer purchasing voice,

¹⁴ The following link is to an AT&T press release announcing the launch of SAM. http://news.cnet.com/8301-1035_3-20017106-94.html. Embedded within the AT&T press release is a link to an AT&T "unboxing" video which was used to support launch of the GENUS integrated cellular/satellite device.

¹⁵ The dual mode satellite/cellular functionality of AT&T's SAM offering is a new product not previously available in the CMRS industry.

¹⁶ See 47 CFR 25.149(b)(1) obligating TerreStar-1 to provide geographic and temporal (100% of the time) coverage in the 50 U.S. states, Puerto Rico and the U.S. Virgin Islands. TS-1 also covers all the Canadian provinces.

¹⁷ TerreStar believes the GENUS is the first device to integrate satellite and CMRS network access in a five ounce form factor featuring an open architecture design based on 3GPP standards and technology

data (including mobile Internet and email) and Short Message Service (SMS) services distributed over licensed GSM networks in the 800, 900, 1800, and 1900 MHz bands, or over an unlicensed 802.11 WiFi network, now has the option to use a standard-sized handset to add 2 GHz satellite communication to their everyday smartphone.¹⁸ Salient SAM features include a single 10-digit telephone number, simple service ordering, fulfillment and activation, and consolidated billing of cellular and MSS service charges.

including an all IP Evolved Packet Core (EPC). The GENUS uses the Windows Mobile 6.5 operating system providing full Outlook compatibility for contacts, email and calendaring.

¹⁸ SAM and the GENUS are now available for purchase under an addendum to existing service plans through AT&T's enterprise, government and small business sales channels. The GENUS may also be purchased through authorized TerreStar resellers.