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1200 19TH STREET, N.W.

SUITE 500

WASHINGTON, D. C. 20036

(202) 955-9600

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March 27, 1997

VIA HAND DELIVERY

Office of Engineering and Technology
Federal Communications Commission
2000 M Street, N.W.
Suite 230
Washington, D.C. 20554
Attn: Mr. Douglas A. Young

**Re: Final Analysis, Inc., Status Report for Experimental Little LEO
Satellite Program – FAISAT-2v Little LEO Satellite (Call Sign
KS2XCY, File No. 4682-EX-PL-95); Logan, Utah Ground Station
(Call Sign KS2XDA, File No. 4684-EX-PL-95); and Remote
Terminals (Call Sign KS2XCZ, File No. 4683-EX-PL-95)**

Dear Mr. Young:

Pursuant to its experimental non-voice, non-geostationary mobile satellite service ("NVNG MSS" or "Little LEO") authorizations for the above-captioned call-signs, Final Analysis, Inc., by its attorneys, hereby submits its quarterly status report on the FAISAT-2v Experimental Satellite Program:

1. **Satellite.** Final Analysis has completed integration of the satellite at its experimental ground station and corporate headquarters in Lanham, Maryland. Although Final Analysis had anticipated shipment of the satellite to Russia by the end of January 1997,¹ circumstances beyond Final Analysis's control have delayed shipment. Despite Final

¹ See Letter from Final Analysis, Inc., to Mr. Douglas B. Young, *Re: Quarterly Status Report on FAISAT-2v Experimental Satellite Program*, dated December 13, 1996.

Mr. Douglas A. Young
March 27, 1997
Page 2

Analysis's timely initiation in November 1996 and diligent prosecution of the export licensing process before the U.S. Department of State and DoD, the export license for shipment of the satellite components to Russia was not received until March 12, 1997. Notwithstanding this issuance of the license, the State Department also has required that shipment and launch of the satellite be approved under the U.S.-Russia-Kazakhstan Inmarsat Satellite Safeguards Agreement (the "SSA").² The SSA's main purpose is to protect U.S. technology. Pursuant to that end, the SSA requires that the U.S. and Republic of Russia exchange diplomatic notes confirming that the launch of FAISAT-2v is covered under the agreement before the satellite can be shipped to Russia.

On March 13, 1997, the State Department sent a diplomatic note to the Russian Ministry of Foreign Affairs confirming coverage of FAISAT-2v under the SSA. Since that time, Final Analysis's Moscow representatives have been fully engaged in efforts to expedite the issuance of the corresponding diplomatic note by the Russian government (a process which is said normally to take up to one month and to require the signature of several Russian government departments). However, this process could delay shipment of FAISAT-2v at least until March 31-to-mid-April, 1997 -- which was the initial timeframe for launch of FAISAT-2v as a secondary payload aboard a Cosmos rocket from the Cosmodrome in Plesetsk, Russia.³ Accordingly, shipment of FAISAT-2v to Russia according to the original launch schedule has been delayed by exogenous circumstances entirely outside of Final Analysis's control and subject to the exclusive control of the U.S. and Russian governments. As of this writing, an exact launch date cannot be predicted by the company with certainty.

² This agreement was originally developed for the Inmarsat geostationary satellite.

³ Because FAISAT-2v is a secondary payload, timing of the launch is dependent to a large extent on the needs of primary payload customers. After the Cosmos launch scheduled for March-to-mid-April timeframe, the next available launch date is not until November-December 1997.

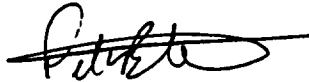
Mr. Douglas A. Young
March 27, 1997
Page 3

Ground Stations. Ground stations are being established in three locations -- Logan, Utah,⁴ Lanham, Maryland⁵ and Andoya, Norway. Additional ground stations may be installed in foreign locations. All parts and components required for these three ground stations have been received. These ground stations have the hardware and software capability to perform TT&C and day-to-day operation not only for FAISAT-2v but also for the full FAISAT commercial constellation.

2. **Remote User Terminals.** The prototype user terminals have been designed, developed and manufactured. Testing of these prototypes together with the assembled satellite, in anticipation of the shipment of the satellite to Russia, has been completed. Additional user terminals are now being manufactured.

Please date-stamp the enclosed stamp-and-return copy of this report upon its receipt. Please do not hesitate to call me at the above-referenced number, if you have any questions regarding this matter.

Respectfully submitted,



Peter A. Batacan
Counsel for Final Analysis, Inc.

⁴ In addition to its existing experimental authority for the Logan ground station (*see* Call Sign KS2XCZ, File No. 4683-EX-PL-95), Final Analysis received a special temporary authorization to test uplink communications for command, telemetry and control between the Logan ground station and FAISAT-2v on frequency 148.7 MHz (*see* Call Sign KS2XDA, File No. S-2779-EX-97).

⁵ Final Analysis's application for experimental authority for the Lanham, Maryland ground station is pending. *See* Final Analysis, Inc., Application for Experimental Authority for Fixed Satellite Ground Station at Lanham, Maryland, FCC Form 442, File No. 5582-EX-PL-96, filed on November 13, 1996. In addition, Final Analysis has received special temporary authority for test operations at the Lanham ground station prior to launch of FAISAT-2v, and to test communications between the ground station and the satellite after launch. *See* Call Sign KS2XAF, File No. S-2765-EX-97.