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May 21, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W. TW-A325
Washington, D.C. 20554

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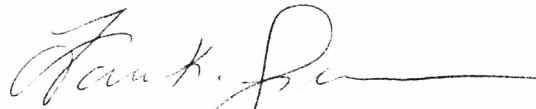
Re: Reply Comments to Consolidated Opposition to Petitions to Deny and Reply to Comments of Motient Services, Inc., Mobile Satellite Ventures Subsidiary, LLC and TMI Communications and Company Limited Partnership, and TMI Communications and Company Limited Partnership, Reply to Deere Petition and KITComm Opposition, File Nos. **SAT-ASG-20010302-00017, SAT-WAV-20010302-00018, SAT-AMD-20010302-00019** and SAT-LOA-19880702-00066

Dear Ms. Salas:

Enclosed please find an original and four (4) copies, plus a stamp and return copy, of KITComm Satellite Communications, Ltd.'s Reply Comments in the above captioned proceeding, which has been served on those parties included in the attached service list.

Please contact me at (202) 736-1809 if you have any questions concerning this filing.

Sincerely,



Tara K. Giunta
Counsel to KITComm Satellite Communications, Ltd.

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

In the Matter of)	
)	
Motient Services Inc.)	File Nos.:
)	SAT-ASG-20010302-00017
and)	SAT-WAV-20010302-00018
)	SAT-AMD-20010302-00019
Mobile Satellite Ventures)	SAT-LOA-19880702-00066
Subsidiary LLC)	
)	
Application for Assignment of Licenses)	
and for Authority to Launch and Operate)	
a Next-Generation Mobile Satellite)	
Service System)	
)	
In the Matter of)	
)	
TMI Communications and)	File Nos.
Company, Limited Partnership)	SES-ASG-20010116-00099
)	SES-MOD-20010116-00097
Application for Modification and)	SES-MOD-20010116-00098
Assignment of Licenses to Operate)	
Mobile Earth Terminals for)	
Mobile Satellite Services)	

REPLY COMMENTS OF KITCOMM SATELLITE COMMUNICATIONS LTD.

KITComm Satellite Communications Ltd. (“KITComm”), by its attorneys and pursuant to Section 25.154 of the Rules of the Federal Communications Commission (“FCC” or “Commission”),¹ hereby submits its Reply Comments to the Consolidated Opposition to Petitions to Deny and Reply to Comments of Motient Services Inc. (“Motient”), TMI Communications and Company, L.P. (“TMI”) and Mobile Satellite Ventures Subsidiary LLC (“MSV”) (collectively, the “Applicants” and “Applicants’

¹ 47 C.F.R. § 25.154.

Opposition”), and TMI’s separate Reply to Deere Petition and KITComm Opposition (“TMI Reply”).

The Applicants propose to combine their North American mobile satellite services businesses into one joint venture and to procure two next-generation satellites for launch starting approximately in 2005.² In addition, various licenses held by TMI are to be assigned to MSV under the Applicants’ proposals under consideration here.³

In its Opposition, KITComm sought to draw the Commission’s attention to the potentially anti-competitive aspects of the frequency assignment requested for the Applicants’ second generation satellite system. The Applicants requested authorization for two satellites which would operate across both the upper and lower L-band, as defined by the Commission.⁴ KITComm argued that Commission acceptance of the Applicants’ second generation proposal could potentially slam the door on competitors such as KITComm that operate in the lower L-band.

I. The Anti-Competitive Aspects of the Applicants’ Spectrum Proposals Should Not be Ignored by the Commission

In both the Applicants’ Opposition and the TMI Reply, the Applicants seek to belittle KITComm’s concern by labeling their own requests as “spectrum neutral”,⁵ pointing out that any spectrum they use would be the product more of international

² Motient Services, Inc. and Motient Satellite Ventures Subsidiary, Application for Assignment of License, File Nos. SAT-ASG-20010302-00017, et al, (filed March 1, 2001) (“Motient Application”).

³ TMI Communications and Company, Limited Partnership, Application for Assignment of License, File No. SES-ASG-20010116-00099 (filed January 31, 2001) and Applications for Modification, File Nos. SES-MOD-20010116-00097 and SES-MOD-20010116-00098 (filed January 31, 2001) (collectively “TMI Application”).

⁴ See Motient Application at p. 8.

⁵ See Applicants Opposition at p. 23 and TMI Reply at p. 5.

coordination negotiations among Region 2 mobile satellite systems than the Commission's licensing decision. Further, the Applicants invite KITComm to join the Region 2 coordination process once KITComm has obtained an authorization from the FCC or some other regulator in the region.

First, KITComm welcomes the invitation extended by the Applicants, who are two of the more prominent members of the Region 2 MSS "Operators Club", and trusts that the Applicants will be as welcoming once KITComm obtains its "calling card" from a regulator in the region. Second, KITComm welcomes the Applicants' tacit acknowledgement of KITComm's right to operate and trusts that their position will clear the way for the Commission to act on KITComm's long-pending Letter of Intent, in which KITComm proposes to bring to the U.S. market an innovative, low earth orbit-based L-band service.⁶

However, the Applicants and TMI are being disingenuous by claiming that their request for the full L-band is completely benign and "spectrum neutral".⁷ The Applicants and TMI cannot contend that an FCC imprimatur to operate their second generation satellite over the entire frequency band will not carry weight either within the counsels of the Region 2 MSS "Operators Club" or with other regulators in the region.⁸

In addition, in considering the Applicants' and TMI's claim that their request for the full L-band for their second generation system is benign, one must remember

⁶ Letter of Intent of KITComm Satellite Communications Ltd., File No. 85-SAT-LOI-98 (filed January 30, 1998).

⁷ TMI Reply at p. 5.

⁸ See Motient Application, Appendix A, "System Design", p. 6, showing a footprint pattern covering not only the United States and Canada, but all of the Caribbean Basin and Central America, plus portions of northern South America.

Motient's penchant to use any utterance from the Commission to support its claim to a monopoly on L-band MSS operations in the United States. The Commission should consider carefully the Applicants' supposedly unimportant request for an expansive frequency license covering the entire L-band.⁹ If granted, the spectrum request could easily be used by MSV, Motient's successor, to once again lay claim to Motient's monopoly claim.

In this proceeding, the Commission has an opportunity not only to strengthen the two existing North American L-band operators by permitting them to merge, to which KITComm does not object, but also to set the stage for increased future competition in the L-band. The Commission can accomplish this by limiting the Applicants to their existing spectrum assignments, both for the present spacecraft generation and the next one as well. This will encourage the Applicants to launch their second generation system as soon as possible, since its multiple beam configuration will permit greatly increased frequency usage.

II. Terrestrial Repeaters Create Further Anti-Competitive Concerns

In its Opposition, KITComm chose not to discuss the terrestrial component of the Applicants proposal, because the Commission had explicitly chosen not to accept this portion of their application at this time.¹⁰ However, KITComm is gravely concerned, as are other L-band MSS parties,¹¹ that the terrestrial component could shut out competition

⁹ Motient Application at p. 8.

¹⁰ "International Bureau Sets Deadlines Concerning Motient/TMI Assignment and Transfer of Control Applications, and Motient's Request for Second Generation Satellite/Terrestrial Base Station System; Deadline Extended for TMI's Applications to Assign Earth Stations," Report No. SAT-00066, March 19, 2001.

¹¹ See Partial Petition to Deny of Inmarsat Ventures PLC, April 18, 2001, pp. 7-10, and Letter from Telespazio s.p.a, May 4, 2001.

from other L-band MSS operators, by creating a blanket of interference over significant portions of both the land mass and population of the United States. KITComm urges the Commission to proceed cautiously with a separate examination of the efficacy and potential competitive impact of the Applicants' proposed terrestrial component.

III. It is Too Early to Reallocate MSS Spectrum at L-band

Finally, KITComm wishes to express its solidarity with the Applicants in opposing the proposals of the terrestrial wireless interests in this proceeding to reallocate the L-band for their use. Their arguments, based largely on their need for more spectrum and the relative lack of success of MSS operators to date, are self-serving and premature. While the history of MSS operations at L-band (and S-band) has so far not been marked by tremendous success, to reallocate spectrum now and essentially end any future MSS might have at L-band would be to act while the sector is still in its formative stages.¹²

One need only look to the example of the DBS industry, which began even less auspiciously in the early and mid-1980s to realize that satellite services often take some time to mature both as a service and technologically. KITComm, for example, believes it has devised a spectrum-efficient, L-band communications solution for users needing a cost-effective low data rate communications service. The Commission should therefore resist such poaching efforts and should focus on encouraging MSS competition in the L-band, which will have the salubrious affect of promoting the more rapid maturation of the sector. By doing so, the Commission would best serve the public interest and the needs of mobile services users of all stripes in the U.S. market.

IV. Conclusion

To date, the mobile satellite industry has struggled with missteps regarding financing, technology, service development and deployment. It is too early, however, to say that the MSS sector has run its course and is ready to be put out of its misery. Instead, the Commission should be seeking ways to stabilize the industry while permitting competition to blossom. The Commission has long recognized that competition promotes the introduction of new services and new technologies to meet the needs of the American public.

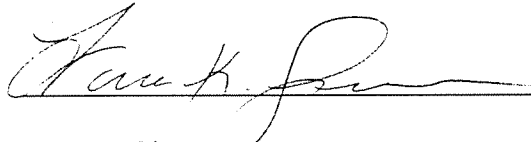
In reviewing the Motient and TMI Applications, the Commission has arguably come to the last page of the first chapter of the history of MSS. It can now write the first page of the next chapter. The lack of success of Motient and TMI to date does not mean that the L-band is not the right band for MSS services or that MSS does not have a market. KITComm firmly believes that market exists, for example, for its low data rate communications service. Rather, one can only conclude, based on the representations made by the Applicants, that their two first generation systems have not succeeded as much as they and the Commission had hoped. The future of L-band MSS may indeed be bright. Certainly, KITComm believes that it has a unique and promising application for MSS services in a small piece of the lower L-band. The Commission should move carefully to preserve MSS in the lower L-band and to promote the growth of new

¹² See e.g. Comments of the Cellular Telecommunications and Internet Association, File No. SAT-ASG-20010302-00017, April 18, 2001.

business and new applications. The Commission can accomplish this by not ceding total control of the U.S. L-band MSS market to the Applicants.

Respectfully submitted,

KITCOMM SATELLITE COMMUNICATIONS LTD.

A handwritten signature in black ink, appearing to read "Tara K. Giunta", is written over a horizontal line.

Tara K. Giunta, Esq.

Timothy J. Logue

Space & Telecommunications Analyst

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Its Attorneys

Date: May 21, 2001