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Via Hand Delivery
Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Received
DEC 28 2004
Policy Branch
International Bureau

Re: Mobile Satellite Ventures Subsidiary LLC
Ex Parte Presentation
IB Docket No. 01-185
File No. SAT-MOD-20031118-00333 (ATC application)
File No. SAT-AMD-20031118-00332 (ATC application)
File No. SES-MOD-20031118-01879 (ATC application)

Dear Ms. Dortch:

On December 13, 2004, Peter Cowhey, Dean of the UC San Diego Graduate School of International Relations and Pacific Studies and an advisor to Mobile Satellite Ventures LP, met with Donald Abelson, Jim Ball, Richard Engelman, Anna Gomez, Sharina Smith, David Strickland, and Thomas Tycz of the International Bureau to discuss the above-referenced rulemaking. Dean Cowhey discussed how appropriate policies in this proceeding would promote consumer welfare through innovation and competition (including competitive entry), promote efficient spectrum use, prevent harmful interference, and be consistent with United States obligations internationally.

Dean Cowhey shared his assessment that there is a substantial opportunity for the development of wireless systems that offer hybrid satellite-terrestrial capacity. This opportunity is supported by the evolution of wireless broadband air interfaces, the ability of these air interfaces to support all-IP transport, and the desire by large 'non-wireless' operators to expand their service bundle to include two-way wireless services. A satellite-terrestrial network would provide instant ubiquity via satellite, advantages for overcoming the digital divide and improving public safety, and continent-wide broadcast/multi-cast capability for certain content. Economies of scale in the production of equipment and economies of scope in coverage would reduce consumer costs and enable much bigger vertical applications than would be the case with a satellite-only service. The terminal devices would be in the price range of the full spectrum of choices in the current market for terrestrial mobile devices, ranging from the lower end to the higher end. For these economies to exist, the system must have sufficient capacity. The existence of a sunk cost in satellites will provide sufficient incentive for the development of services that integrate the satellite and terrestrial capabilities.

To protect others from harmful interference, Dean Cowhey encouraged the Commission's use to the extent possible of innovative spectrum management approaches rather than overly-restrictive ex ante technical rules. Reasonable spectrum management should not be a barrier to entry. The Commission has a variety of policy tools available if it needs to address residual risks of interference.

Please contact the undersigned with any questions regarding this matter.

Very truly yours,


Lon C. Levin *ask*

cc: Donald Abelson
Jim Ball
Richard Engelman
Anna Gomez
Sharina Smith
David Strickland
Thomas Tycz
John Janka, Counsel to Inmarsat