

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

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APR 27 1995

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In the Matter of )

FINAL ANALYSIS COMMUNICATIONS )  
SERVICES, INC. )

Application for Authority to )  
Construct, Launch and Operate )  
Non-Voice, Non-Geostationary )  
Mobile-Satellite System in the )  
137-138 MHz, 148-150 MHz and )  
400-401 MHz Bands )

Satellite and )  
Radiocommunications )  
International Bureau )  
FEDERAL COMMUNICATIONS COMMISSION )  
OFFICE OF SECRETARY )

File No. 25-SAT-P/LA-95

RESPONSE OF ORBCOMM

Orbital Communications Corporation ("ORBCOMM") hereby responds to the Consolidated Opposition addressing the comments on the Application for a Non-Voice, Non-Geostationary ("NVNG") satellite system filed by FINAL ANALYSIS COMMUNICATIONS SERVICES, INC. ("Final Analysis").<sup>1/</sup> In its comments on the Final Analysis application, ORBCOMM questioned the financial and technical qualifications of Final Analysis to become an NVNG satellite system licensee. Despite the Consolidated Opposition of Final Analysis, ORBCOMM continues to believe that Final Analysis has failed to demonstrate that it is financially and technically qualified.

<sup>1/</sup> Public Notice, Report No. DS-1484, November 25, 1994. The date for filing responses to replies was extended by the Commission to April 25, 1995, in response to a request by GE Americom. Order, DA 95-598, released March 24, 1995.

With respect to the financial qualifications issue, while Final Analysis has now retained a "real" CPA to review its accounting records, the fact remains that its balance sheet and income statement will not support financing of the construction, launch and first year's operation of the initial two satellites, even accepting the exceedingly low cost estimate of Final Analysis. The primary asset of Final Analysis' parent is a recently-launched experimental satellite, labelled "equipment" on the balance sheets.<sup>2/</sup> Although Final Analysis asserts that this "equipment" falls within the category of "inventory" because of its parent's line of business, it does not appear to fall within the Commission's definition of "current assets" for purposes of assessing the financial qualifications of a satellite applicant.

The Commission has indicated that in evaluating an applicant's ability to promptly proceed with the construction, launch and operation of a satellite, the Commission will look to operating income and "cash plus other assets reasonably expected to be realized in cash or sold or consumed during a normal operating cycle of a business."<sup>3/</sup> Final Analysis' corporate parent's experimental satellite does not appear to qualify under this standard.<sup>4/</sup> It is not at all clear that Final Analysis'

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<sup>2/</sup> Consolidated Opposition at p. 20.

<sup>3/</sup> Licensing Space Stations in the Domestic Fixed-Satellite Service, 58 RR2d 1267 (1985) at n. 24.

<sup>4/</sup> Final Analysis also refers to possessing "valuable and expensive components" (Consolidated Opposition at p. 25) that will aid it in constructing the initial two satellites of its constellation. It is not clear whether this equipment has also been donated or sold to the corporate parent by the shareholders as was the experimental satellite.

parent intends to, or would be successful in, quickly selling the experimental satellite to raise cash.<sup>5/</sup>

The other source of Final Analysis' funding appears to be government largesse, insofar as NASA has been subsidizing the design and development costs of the Final Analysis system.<sup>6/</sup> It is not clear the extent to which this subsidization will continue, and thus whether Final Analysis can rely on this funding source for demonstrating its financial qualifications to proceed expeditiously with the construction, launch and operation of its satellite system.<sup>7/</sup>

Given the continuing deficiencies of Final Analysis' financial demonstration, it is not even necessary for the Commission to resolve the issue raised by ORBCOMM concerning the exceedingly (and disproportionately) low cost estimate submitted by Final Analysis for the construction, launch and first year's operation of the initial two satellites in its constellation, because Final Analysis does not even demonstrate an ability to finance the \$6.2 million cost it claims. Final Analysis has failed to show that it has access to adequate resources that will

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<sup>5/</sup> A quick sale would be particularly difficult if the reports that the Faisat-1 satellite is experiencing severe difficulties are accurate.

<sup>6/</sup> Consolidated Opposition at p. 25.

<sup>7/</sup> Cf., 47 C.F.R. § 25.140(d)(2)(iii), which allows grants or other external funding commitments to be used to demonstrate financial qualification.

permit it to proceed promptly with the deployment of its system.<sup>8/</sup>

With respect to the technical issues, ORBCOMM remains concerned with sharing the spectrum used for the transmitter uplinks. ORBCOMM has indicated that it should be possible to share the 148-150.05 MHz band for the transmitter uplinks, although it will require careful use by, and coordination among, the different satellite systems to minimize risks of interference. In response to ORBCOMM's questions, Final Analysis baldly asserts that its "STARS technology contains the necessary algorithms to select unused uplink channels."<sup>9/</sup> However, Final Analysis provides no details on its proposed system that would allow ORBCOMM or the Commission to evaluate the accuracy of that assertion, and whether in fact the Final Analysis scanning system will both preclude interference to terrestrial users and allow sharing with other NVNG satellite systems.<sup>10/</sup>

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<sup>8/</sup> Cf., Amendment of the Commission's Rules to Establish Rules and Policies Pertaining to a Mobile Satellite Service in the 1610-1626.5/2483.5-2500 MHz Frequency Bands, 9 FCC Rcd 5936 (1994) at ¶¶ 26-27 (the public interest is disserved if spectrum lies fallow while funding is raised).

<sup>9/</sup> Consolidated Opposition at p. 15.

<sup>10/</sup> Cf., GE Americom April 10, 1995 Opposition at Technical Appendix pp. 4-6, which (somewhat belatedly) provided details on its proposed scanning system. ORBCOMM had also raised some other concerns with respect to the Final Analysis application, but now believes that in light of the changes made by Final Analysis, those issues can be resolved through the coordination process. ORBCOMM notes the relocation of the Final Analysis downlink channels and agrees that this will measurably reduce the potential for interference between the two systems. While a worst case C/(N+I) of 7.5 dB (as reflected in the Final Analysis filing) is not sufficient to avoid intersystem interference one hundred percent of the time, ORBCOMM realizes that these values are not steady state, but are dynamic. Now that the downlink

(continued...)

For the reasons articulated above and in ORBCOMM's initial comments on the Final Analysis application, ORBCOMM continues to urge the Commission not to grant the Final Analysis application.

Respectfully submitted,

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Dated: April 25, 1995

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<sup>10/</sup>(...continued)  
channels do not overlap, if good spectrum containment techniques are used, the two systems should be able to be coordinated.

With regard to the uplink interference calculations contained in the ORBCOMM submission, Final Analysis is correct concerning the error in Table A2-2 (the value should have been a  $C/(N+1)$  of +1.5 dB). If the Final Analysis Gateway uplink is implemented on frequencies separate from those used by ORBCOMM, then no difficulties should be encountered.

Engineering Certificate

I hereby certify that I am the technically qualified person responsible for the engineering information contained in this reply, that I am familiar with Part 25 of the Commission's Rules, that I have reviewed the engineering information submitted in this reply, and that it is complete and accurate to the best of my knowledge.

Dated this 25th day of April 1995.

BY: Paul A. Locke

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CERTIFICATE OF SERVICE

I, Katherine H. Rasdorf, hereby certify that the foregoing Response of ORBCOMM was served by first-class mail, postage prepaid, this 25th day of April, 1995 on the following persons:

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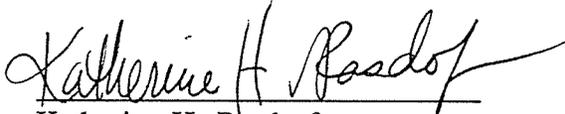
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