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Tony Lin 202.663.8452 tony.lin@shawpittman.com RECEIVED

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PROBRAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

June 12, 2001

## **By Courier**

Ms. Magalie R. Salas Office of the Secretary Federal Communications Commission 445 12th Street, S.W. Counter TW-A325 Washington, D.C. 20554

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File Nos. SAT-LOA-19950929-00040 to 00044, SAT-LOA-19950502-

00068, SAT-LOA-19950929-00118 to 00119, SAT-LOA-19950929-00132 to 00136, SAT-LOA-19950929-00125 to 00129, SAT-LOA-19950929-00151 to 00153, SAT-LOA-19950929-00145 to 00148, SAT-ASG-20010109-00005, SAT-LOA-19950929-00150, SAT-T/C-19990727-00080, SAT-LOA-19950929-00130 to 131, SAT-LOA-

19950929-00156, SAT-T/C-20001215-00163, SAT-LOA-19950712-

00085

Dear Ms. Salas:

Pegasus Development Corporation hereby submits the attached letter for inclusion in the public record for the above-captioned file numbers. An original and 28 copies are included.

Please direct any questions concerning this submission to the undersigned.

Enclosure

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BRUCE D. JACOBS 202.454.7077 bruce.jacobs@shawpittman.com

June 12, 2001

### By Courier and Electronic Mail

Thomas S. Tycz Chief, Satellite and Radiocommunication Division International Bureau Federal Communications Commission 445 Twelfth Street, S.W. Washington, DC 20554

Re:

Ka-band GSO Licensing

Dear Mr. Tycz:

The recent Bureau inquiries regarding the proposed transfers of several first-round licensees are a positive step that will facilitate deployment of Ka-band satellite services to American consumers, especially those in rural areas. Pegasus Development Corporation urges the Bureau, however, to go further and (i) accelerate the January 2002 milestones to July 2001; (ii) investigate the ability of licensees to meet launch milestones of May 2002; and (iii) require those selling their first-round licenses to demonstrate that they have not previously abandoned any legitimate effort to develop their own systems.

The unfortunate reality is that reliance solely on current milestones will not prevent warehousing. By the time these milestones have lapsed, it will be too late for the FCC to license new entrants and for those new licensees to deploy their own satellites prior to the ITU deadlines. The attached chart shows the milestones that currently apply. For most first-round licensees, the next milestones that apply are those in January 2002 for commencement of construction of their first satellite. For those licensed to operate at multiple orbital locations, in some cases no milestones apply regarding certain prime CONUS orbital locations until January 2003. Pegasus therefore urges the Bureau to accelerate to July 2001 the milestones for commencement of construction of satellites for all CONUS orbital locations. If the licensees are unable to show that they are committed to construction of these satellites by this summer, over four years after receiving licenses and fewer than four years from the expiration of United States ITU priority, those prime CONUS orbital locations should be made available for new entrants.

The Bureau also should ask tough questions of those licensees whose milestones for completion of construction and launch are sufficiently close that there should be clear

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Thomas S. Tycz Chief, Satellite and Radiocommunication Division June 12, 2001 Page 2

evidence whether they will be able to meet the deadlines. If it is clear that they will not meet those milestones, those orbital resources can be assigned to new entrants. In particular, Loral Space and Communications Corporation and VisionStar, Inc. face completion of construction and launch milestones of April 2002 and May 2002, respectively. The Bureau should ask these licensees whether they expect to meet these milestones and, if so, to provide progress reports from the satellite manufacturer and contracts with the launch service provider that support that expectation.

Pegasus also proposes that, in addition to the questions related to trafficking that the Bureau recently asked of NetSat, VisionStar, and Motorola, the Bureau ask all these parties proposing to sell their first-round licenses to demonstrate that they had not abandoned any of their own plans to develop their licensed Ka-band GSO systems. Commission precedent requires the denial of an assignment where the satellite licensee has abandoned its license and has not developed its system. See American Telephone and Telegraph Company and Ford Aerospace Satellite Services Corporation, 2 FCC Rcd 4431 (1987). The proposed transferors should be asked to describe the full scope of the work they have undertaken to date in connection with the development of their licensed systems. This should include identifying the transferor's employees and contractors who have been working on the projects, including their responsibilities, the amount of time they dedicated to the projects over what period of time, and the party providing their compensation. Providing this information will help create a complete record on which the Commission can make informed decisions.

pry truly yours,

Bruce D. Jacobs

attached service list

cc:

First Round Ka Band Licenses: Milestone Schedules

Licensee	Construction Commencement		Construction Completion		Launch and Operate	
Astrolink <sup>1</sup>	1 <sup>st</sup> Satellite: Remaining:	January 2002 January 2003			97° W.L 21.5° W.L. 2° E.L. 130° E.L. 172.25° E.L.	
Cyberstar <sup>2</sup>	1 <sup>st</sup> Satellite: Remaining:	January 2002 January 2003			115° W.L. 93° W.L. 105.5° E.L.	June 25 2005 June 25, 2005 July 16 2005
EchoStar <sup>3</sup>	1 <sup>st</sup> Satellite: Remaining:	January 2002 January 2003			121° W.L. 83° W.L.	June 25 2005 June 25 2005
GE Americom <sup>4</sup>	1 <sup>st</sup> Satellite: Remaining:	May 1998 May 1999	105° W.L. 85° W.L. 17° W.L. 56° E.L. 114.5° E.L.		105° W.L. 85° W.L. 17° W.L. 56° E.L. 114.5° E.L.	June 25 2005 June 25 2005 July 2 2005 July 2 2005 July 16 2005
Loral <sup>5</sup>	Orion F7: Orion F8: Orion F9: Orion F2 <sup>6</sup> :	May 1998 May 1999 May 1999 May 1998	89°W.L 81°W.L. 78°E.L.	April 2002 April 2002 April 2002 April 2002	89°W.L 81°W.L. 78°E.L.	May 2002 May 2002 May 2002
Morning Star <sup>7</sup>	1 <sup>st</sup> Satellite:  1 <sup>st</sup> Satellite at orbital location	May 1998 remaining	N/A		N/A	

Lockheed Martin Corporation, Order and Authorization, 12 FCC Rcd 23014 (Int'l Bur. 1997), modified by Astrolink International LLC, Order and Authorization, 2001 FCC LEXIS 639 (January 31, 2001).

<sup>&</sup>lt;sup>2</sup> Loral Space and Communications Ltd., Order and Authorization, 13 FCC Rcd 1379 (Int'l Bur. 1997), modified by Cyberstar Licensee LLC, Order and Authorization, 2001 FCC LEXIS 641 (January 31, 2001).

<sup>&</sup>lt;sup>3</sup> EchoStar Corporation, Order and Authorization, 13 FCC Rcd 5664 (Int'l Bur. 1997), modified by EchoStar Satellite Corporation, Order and Authorization, 2001 FCC LEXIS 642 (January 31, 2001).

<sup>&</sup>lt;sup>4</sup> GE Americom Communications Galaxy Inc., Order and Authorization, 12 FCC Rcd 6475 (Int'l Bur. 1997), modified by GE American Communications, Inc., Order and Authorization, DA 01-1286 (May 25, 2001) (granting milestone extensions).

<sup>&</sup>lt;sup>5</sup> Orion Network Systems, Inc., Order and Authorization, 12 FCC Rcd 23027 (Int'l Bur. 1997).

<sup>&</sup>lt;sup>6</sup> Orion Atlantic, L.P., Order and Authorization, 13 FCC Red 1416 (Int'l Bur. 1997).

Morning Star Satellite Company, L.L.C., Order and Authorization, 12 FCC Rcd 6039 (Int'l Bur. 1997); Morning Star Satellite Company, L.L.C., Memorandum Opinion and Order, 15 FCC Rcd 11350 (2000) (revoking licenses).

Licensee	Construction Commencement	Construction Completion	Launch and Operate	
Motorola <sup>8</sup>	1 <sup>st</sup> Satellite: January 2002 Remaining: January 2003		91° W.L. June 25 2005 87° W.L. June 25 2005 77° W.L. June 25 2005 75° E.L. June 25 2005	
NetSat 9	Waived	95°W.L. August 2003	95°W.L. September 2003	
PanAmSat <sup>10</sup>	1 <sup>st</sup> Satellite: January 2002 Remaining: January 2003		36° E.L. July 2 2005 40° E.L. July 2 2005 48° E.L. July 2 2005 124.5° E.L. July 16 2005 149° E.L. July 23 2005 173° E.L. July 23 2005 103° E.L. June 25 2005	
Teledesic <sup>11</sup> (NGSO FSS licensee)	1st 2 Satellites: January 2002 Remaining: January 2004	1 <sup>st</sup> 2 Satellites: January 2004	1st Satellite: September 26 2004 Remaining: January 2007	
WB Holdings <sup>12</sup>	1 <sup>st</sup> Satellite: January 2002 Remaining: January 2003		109.2° W.L. June 25 2005 73° W.L. October 7 2006	

<sup>&</sup>lt;sup>8</sup> Comm, Inc., Order and Authorization, 12 FCC Rcd 23001 (Int'l Bur. 1997), modified by Motorola, Inc., Order and Authorization, 2001 FCC LEXIS 640 (January 31, 2001).

<sup>&</sup>lt;sup>9</sup> NetSat 28 Company, L.L.C., Order and Authorization, 13 FCC Rcd 1392 (Int'l Bur. 1997); NetSat 28 Company, L.L.C., Memorandum Opinion and Order, DA 01-1284 (May 25, 2001) (waiving commencement milestone).

Hughes Communication Galaxy, Inc., Order and Authorization, 13 FCC Rcd. 1351 (Int'l Bur. 1997), modified by PanAmSat Corporation, Order and Authorization, 2001 FCC LEXIS 645 (January 31, 2001).

Teledesic LLC, Order and Authorization, 12 FCC Rcd. 3154 (Int'l Bur. 1997), modified by Order and Authorization, 14 FCC Rcd 2261 (Int'l Bur. 1999); Teledesic LLC, Order and Authorization, 2001 FCC LEXIS 646 (January 31, 2001).

<sup>&</sup>lt;sup>12</sup> KaStar Satellite Communications Corporation, Order and Authorization, 13 FCC Rcd 1366 (Int'l Bur. 1997), modified by WB Holdings LLC, Order and Authorization, 2001 FCC LEXIS 648 (January 31, 2001).

### Service List

\*The Honorable Michael K. Powell Chairman Federal Communications Commission 445 Twelfth Street, S.W., Room 8-B201 Washington, D.C. 20554

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- \*Commissioner Michael J. Copps Federal Communications Commission 445 Twelfth Street, S.W., Room 8-B115 Washington, D.C. 20554
- \*Commissioner Gloria Tristani Federal Communications Commission 445 Twelfth Street, S.W., Room 8-C302 Washington, D.C. 20554
- \*Commissioner Kathleen Q. Abernathy Federal Communications Commission 445 Twelfth Street, S.W., Room 8-A302 Washington, D.C. 20554
- \*Peter A. Tenhula Senior Legal Advisor to Chairman Powell Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554
- \*Jordan Goldstein Senior Legal Advisor to Commissioner Copps Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554
- \*Bryan Tramont Senior Legal Advisor to Commissioner Abernathy 445 Twelfth Street, S.W. Washington, DC 20554
- \*Adam Krinsky
  Senior Legal Advisor to Commissioner
  Tristani
  Federal Communications Commission
  445 Twelfth Street, S.W.
  Washington, D.C. 20554

- \*Donald Abelson Chief, International Bureau Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554
- \*Thomas S. Tycz Chief, Satellite and Radiocommunications Division, International Bureau Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554
- \*Fern Jarmulnek Chief, Satellite Policy Branch Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554
- \*Alyssa Roberts
  Satellite Policy Branch, International Bureau
  Federal Communications Commission
  445 Twelfth Street, S.W.
  Washington, D.C. 20554
- \*Jennifer Gilsenan Satellite Policy Branch, International Bureau Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554
- \*Selina Khan Satellite Policy Branch, International Bureau Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554
- \*Kal Krautkramer Satellite Policy Branch, International Bureau Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

\*Jay Whaley Satellite Policy Branch, International Bureau Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

\*Mark Young Satellite Policy Branch, International Bureau Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

\*Cassandra Thomas
Deputy Chief, Satellite and
Radiocommunications Division
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Gary M. Epstein
John P. Janka
Arthur S. Landerholm
Latham & Watkins
1001 Pennsylvania Ave., N.W.
Suite 1300
Washington, D.C. 20004
Counsel for Hughes Communications, Inc.

William M. Wiltshire
Harris, Wiltshire & Grannis LLP
1200 Eighteenth Street, N.W.
Suite 1200
Washington, D.C. 20036
Counsel for Wildblue Communications, Inc.

David M. Brown General Counsel Wildblue Communications, Inc. 4600 Syracuse Street, Suite 500 Denver, CO 80237

Joseph A. Godles W. Kenneth Ferree Goldberg, Godles, Wiener & Wright 1229 Nineteenth Street, N.W. Washington, D.C. 20036 Counsel for PanAmSat Corporation Peter A. Rohrbach
Karis A. Hastings
Yaron Don
Hogan & Hartson LLP
Columbia Square
555 Thirteenth Street, N.W.
Washington, D.C. 20004-1109
Counsel for GE Americom

Pantelis Michalopoulos Rhonda Rivens Bolton Steptoe & Johnson LLP 1330 Connecticut Avenue, N.W. Washington, D.C. 20036-1795 Counsel for EchoStar VisionStar Corporation

Philip L. Malet
James M. Talens
Steptoe & Johnson LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036-1795
Counsel for Motorola Corporation

Mark A. Grannis
Jonathan B. Mirsky
Fred B. Campbell
Harris, Wiltshire & Grannis LLP
1200 Eighteenth Street, N.W.
Suite 1200
Washington, D.C. 20036
Counsel for Teledesic LLC

Michael R. Gardner, P.C.
The Law Offices of Michael R. Gardner, P.C.
Attorneys at Law
1150 Connecticut Avenue, N.W.
Suite 710
Washington, D.C. 20036
Counsel for VisionStar Corporation

Raymond G. Bender, Jr.
Carlos M. Nalda
Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Avenue, N.W.
Suite 800
Washington, D.C. 20036
Counsel for Astrolink International LLC

Norman P. Leventhal
Stephen D. Baruch
David S. Keir
Leventhal, Senter & Lerman PLLC
2000 K Street, N.W.
Suite 600
Washington, D.C. 20006
Counsel for TRW, Inc.

Robert A. Mazer Albert Shuldiner Vinson & Elkins LLP 1455 Pennsylvania Avenue, N.W. Suite 700 Washington, D.C. 20004-1008 Counsel for NetSat 28 Company, LLC

Stephen R. Bell
Jennifer D. McCarthy
Willkie Farr & Gallagher
Three Lafayette Centre
1155 21<sup>st</sup> Street, N.W.
Washington, D.C. 20036-3384
Counsel for Loral Space & Communications

James U. Troup
Brian D. Robinson
Adrian Copiz
Arter & Hadden LLP
1801 K Street, N.W.
Suite 400K
Washington, D.C. 20036
Counsel for CAI Data Systems, Inc.

Tara K. Guinta
Coudert Brothers
Attorneys at Law
1627 I Street, N.W.
Washington, D.C. 20006-4007
Counsel for Pacific Century Group, Inc.

Brian D. Weimer Skadden Arps Slate Meagher & Flom LLP 1440 New York Avenue, N.W. Washington, D.C. 20005 Counsel for Celsat America, Inc. Todd M. Stansbury
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
Counsel for DirectCom Networks, Inc.

Ray Bender
Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Ave., N.W.
Washington, D.C. 20036-6802
Counsel for Lockheed Martin Corporation

Francis L. Young Young & Jatlow 2300 N Street, N.W. Suite 600 Washington, D.C. 20037 Counsel for Morning Star Satellite Company, LLC

William D. Wallace Crowell & Moring, LLP 1001 Pennsylvania Avenue, N.W. Washington, D.C. 20004 Counsel for Globalstar, L.P.

\*By Hand Delivery or Electronic Mail