

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

RECEIVED

JUN 18 1998

Federal Communications Commission
Office of Secretary

In re)
)
)
Satellite Applications and Letters of Intent)
Accepted for Filing in the 2 GHz Band) Report No. SPB-119
)
)
Celsat America, Inc) File Nos. 26/27/28-DSS-P/LA-97
) 88-SAT-AMEND-98
)
)
The Boeing Company) File Nos. 179-SAT-P/LA-97(16)
) 90-SAT-AMEND-98
)
)
Mobile Communications Holdings, Inc) File No. 180-SAT-P/LA-97(26)
)
)
Constellation Communications, Inc) File No. 181-SAT-P/LA-97(46)
)
)
Globalstar, L P) File Nos. 182-SAT-P/LA-97(64) and
) 183 through 186-SAT-P/LA-97
)
)
Iridium, LLC) File No. 187-SAT-P/LA-97(96) ✓
)
)
ICO Services Limited) File No. 188-SAT-LOI-97
)
)
TMI Communications and Company, L P) File No. 189-SAT-LOI-97
)
)
Inmarsat Horizons) File No. 190-SAT-LOI-97
)
)
By: Chief, International Bureau

**CONSOLIDATED RESPONSE
OF CELSAT AMERICA, INC.**

David D. Otten
Chairman & CEO
Celsat America, Inc
3460 Torrance Blvd
Suite 220
Torrance, California 90503

Antoinette Cook Bush
John C. Quale
Skadden, Arps, Slate, Meagher
& Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
(202) 371-7000

Attorneys for Celsat
America, Inc

June 18, 1998

SUMMARY

Not one of the commenters has disputed the merits of the Celsat system. The essence of the Celsat application is a technologically advanced system which, *at extremely low cost*, will make mobile communications available to all Americans. Granting Celsat's application, moreover, will provide public interest benefits offered by none of the other applicants:

- Celsat has superior technology. (See Ericsson Comments, April 28, 1998)
- Celsat will make low cost (8 cents per minute wholesale for a phone call), low radiated power, high quality, and convenient mobile communications available to all Americans. (See North American GSM Alliance Comments, May 4, 1997, and Reply, June 3, 1998).

To promote competitive parity, moreover, the Commission should grant authorizations first to those applicants who do not already hold a license for mobile satellite service spectrum. Thus, consistent with our comments and those of ITCO, Celsat urges the Commission to defer action on the applications of the incumbent mobile satellite licensees (Boeing, MCHI, CCI, Globalstar, Iridium, TMI and Omarsat) until a second processing round.

Contrary to the claims of Celsat's opponents, the FCC clearly contemplated that the MSS band would be available for regional as well as global use. Indeed, 20 MHz of the spectrum (15 MHz in the uplink and 5 MHz in the downlink) is allocated for use only in region 2. Given the Commission's goal of providing MSS

service to rural Americans, it should soundly reject any notion that the 2 GHz band be squandered on global systems offered by MSS incumbents.

Accordingly, Celsat urges the Commission in a first processing round to grant licenses only to those applicants who are not incumbent MSS licensees. Should the Commission grant a license to another non-incumbent applicant (i.e., ICO), Celsat would be willing to amend its application to request only 30MHz in bands including the 20 MHz allocated for region 2, provided that if there are any costs associated with relocating the incumbents in these bands, the costs would be shared equally by all MSS licensees. Celsat believes that this proposal affords the Commission the best opportunity to implement competitive and affordable MSS service in the shortest possible timeframe.

The need for Celsat's MSS services is urgent. The Commission, therefore, should stand by its initial decision and reject requests for the premature implementation of licensee qualifications standards (legal, financial or technical) and expeditiously grant Celsat's application.

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	i
I CELSAT'S TECHNICALLY ADVANCED SYSTEM IS UNIQUELY ABLE TO MAKE MSS AFFORDABLE TO ALL AMERICANS	2
II GRANTING SPECTRUM TO NEW ENTRANTS FIRST AND DEFER- RING TO A SECOND PROCESSING ROUND ALL INCUMBENT MSS LICENSEES IS CONSISTENT BOTH WITH COMMISSION PRECE- DENT AND THE PUBLIC INTEREST, ESPECIALLY IN LIGHT OF THE REGIONAL COMPONENT OF THE 2 GHZ ALLOCATION	5
III CELSAT'S APPLICATION FULLY COMPLIES WITH ALL PERTINENT TECHNICAL REQUIREMENTS	13
CONCLUSION	15

RECEIVED

JUN 18 1998

Federal Communications Commission
Office of Secretary

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In re)
)
Satellite Applications and Letters of Intent)
Accepted for Filing in the 2 GHz Band) Report No. SPB-119
)
Celsat America, Inc) File Nos. 26/27/28-DSS-P/LA-97
) 88-SAT-AMEND-98
)
The Boeing Company) File Nos. 179-SAT-P/LA-97(16)
) 90-SAT-AMEND-98
)
Mobile Communications Holdings, Inc) File No. 180-SAT-P/LA-97(26)
)
Constellation Communications, Inc) File No. 181-SAT-P/LA-97(46)
)
Globalstar, L.P.) File Nos. 182-SAT-P/LA-97(64) and
) 183 through 186-SAT-P/LA-97
)
Indium, LLC) File No. 187-SAT-P/LA-97(96)
)
ICO Services Limited) File No. 188-SAT-LOI-97
)
EMI Communications and Company, L.P.) File No. 189-SAT-LOI-97
)
Inmarsat Horizons) File No. 190-SAT-LOI-97

Ex. Chief, International Bureau

CONSOLIDATED RESPONSES
OF CELSAT AMERICA, INC.

Celsat America, Inc. ("Celsat"), by undersigned counsel, hereby
submits the following responses to the replies and oppositions filed with respect to

the applications and letters of intent in the 2 GHz mobile satellite service ("MSS") proceeding.¹

I CELSAT'S TECHNICALLY ADVANCED SYSTEM IS UNIQUELY ABLE TO MAKE MSS AFFORDABLE TO ALL AMERICANS

Celsat is the only 2 GHz applicant that has proposed to offer MSS at a price affordable by all Americans. None of the comments on Celsat's application has raised any significant issue regarding Celsat's ability to provide this valuable public interest benefit.

Indeed, the demonstrated attributes of Celsat's proposed system are compelling:

- Celsat's very low price for a phone call, **8 cents per minute wholesale including long distance**, makes it affordable by all Americans. Other MSS systems will charge substantially more. In fact, according to press reports, some will charge dollars per minute.²

In addition to Celsat, The Boeing Company ("Boeing"), Mobile Communications Holdings, Inc. ("MCHI"), Constellation Communications, Inc. ("CCI"), Globalstar, L.P. ("Globalstar"), Iridium, LLC ("Iridium"), ICO Services Limited ("ICO"), TMI Communications and Company, L.P. ("TMI"), and Inmarsat Horizons ("Inmarsat") have filed applications and letters of intent in this proceeding. Throughout this response, Celsat refers to the first round readings as "comments" (e.g., Ericsson Comments) and the second round readings as "replies" (e.g., ICO Reply).

The Wall Street Journal reports that Iridium will charge up to \$7 per minute for a phone call. Quentin Hardy, Iridium's Orbit: To Sell a World Phone, Play to Executive Fears of Being Out of Touch, Wall St. J., June 4, 1998, p. A1.

- Celsat's system is technologically advanced. As Ericsson states: "Since 1993 we have studied numerous satellite systems and are currently participating in some of these. In the case of Celsat we have found the technical approach to be the best we have seen and studied to-date." "The American people deserve the best."
- Celsat can provide important support to the PCS industry. As the North American GSM Alliance states: "Grant of the Celsat application would make it possible, for the first time ever, for terrestrial mobile service providers to offer their customers truly national coverage, regardless of terrain or population density. Celsat's entry into the MSS marketplace, as well as its commitment to work seamlessly with GSM providers in North America, would increase competition in both the market for MSS and the market for terrestrial mobile services."⁴
- As the North American GSM Alliance points out, "MCHI cites a study it commissioned to assert that there will be a market of 60 million 'Big LEO' MSS subscribers by 2005⁵ -- *but, there are over 82 million GSM subscribers in the world today, in 110 countries.* The traveling executive who pays up to \$3,000 for a brick-sized phone that costs \$3 per minute to use is getting service that is in some sense global. But so is the GSM user from any one of 110 countries who, thanks to Celsat, can use a GSM phone anywhere in North America at pennies a minute."
- Celsat, with a frequency reuse of fifty is, by far, the most spectrum efficient in the countries that it covers."

Ericsson Comments at p. 3

GSM Alliance Comments at pp. 2-3

MCHI Comments at p. 8

GSM Alliance Reply at pp. 4-5

Inmarsat, for example, boasts in its reply that its Inmarsat-3 satellites has frequency reuse of two. Inmarsat Reply at p. 8. Despite Inmarsat's appar-

(continued...)

- A single Celsat satellite will provide 50,000 low cost voice circuits over the United States - several times the capacity of any of the Big LEOs
- Celsat's service will provide low cost access everywhere in the U.S. to a mobile phone with position determination capability which can instantly connect the user with fire, ambulance, police, and other public safety agencies *not now covered* by such services. Celsat's system could significantly diminish the number of deaths due to auto and other accidents, fires, criminal attacks, heart attacks and other medical emergencies⁸
- Celsat's inexpensive PCS (small) sized handset makes its service attractive. As depicted in their brochures and the press, some other systems have much bulkier handsets with "Hot Dog" sized antennas. Even those Americans who could afford the high cost might find these devices much too inconvenient to be practical.
- Celsat's low average radiated power (1/4 watt) is safer than the 1/2 watt average radiated power required by some competitors
- Celsat's satellites have extremely high link margins. This and the high elevation angle of the Celsat satellites provide exceptional signal quality (or clarity, robustness (i.e. relative immunity to loss of signal) and enhanced safety use

(continued)

entirely inefficient use of spectrum, by its own account, it already controls about 27 MHz of L-band spectrum affecting North America.⁹ Id.

Although Boeing praises the safety features of its system, as Celsat and other commenters have noted, Boeing's use of the 2 GHz for AMS(R)S is inconsistent with the 2 GHz MSS allocation adopted by the Commission. See, e.g., Celsat Comments at p. 7; Iridium Comments at p. 7. The Commission should initiate a separate proceeding to deal with the countless technical and international regulatory issues raised by Boeing's proposal.

None of the replies or oppositions in this proceeding raises any credible argument questioning Celsat's ability to provide MSS service at a cost affordable by all Americans or the other myriad public interest benefits that will result from implementation of Celsat's system. Nor have any of the opponents demonstrated any technical or legal impediment to the immediate grant of Celsat's application.⁷ Accordingly, the Commission should promptly grant Celsat's application to facilitate delivery of these substantial benefits to the American public as soon as possible.

II GRANTING SPECTRUM TO NEW ENTRANTS FIRST AND DEFERRING TO A SECOND PROCESSING ROUND ALL INCUMBENT MSS LICENSEES IS CONSISTENT BOTH WITH COMMISSION PRECEDENT AND THE PUBLIC INTEREST, ESPECIALLY IN LIGHT OF THE REGIONAL COMPONENT OF THE 2 GHz ALLOCATION

As explained in Celsat's comments and in its reply, seven of the nine applicants in the current processing round of the 2 GHz proceeding, either directly or through affiliates, already hold licenses in different bands which permit them to

Boeing and ICG call for development of a financial qualifications test even before service rules are adopted. Celsat, Inidium, Globalstar, MCHI, and CCI all point out the fallacy of imposing this unnecessary limitation on competitive entry. Contrary to Boeing's suggestion, imposition of stringent financial qualification requirements at this early stage of the proceedings will merely stifle innovation and will not accelerate the licensing process. If anything, the inauguration of Big FLEO service was delayed -- not accelerated -- by the introduction of financial standards which ultimately were waived.

provide mobile satellite service.” Celsat and ICO have proposed that the applications of these incumbents should be deferred until a second processing round for spectrum at 2 GHz.¹¹

Should the Commission adopt this proposal and authorize Celsat and ICO to proceed in the first processing round for 2 GHz spectrum,¹² Celsat would amend its application to request 30 MHz of spectrum, including the 15 MHz in the uplink and 5 MHz in the downlink allocated only in region 2.¹³ This proposal

MCHI, CCI, Globalstar, Iridium, TMI, Boeing and Inmarsat, directly or through affiliates, hold licenses to provide MSS. Celsat and ICO do not hold licenses to provide MSS. Boeing argues in its reply that the Commission should ignore the memorandum of understanding (“MOU”) Boeing acknowledges that it has executed with MCHI and conclude that Boeing is a new entrant to MSS. Boeing Reply at pp. 19-20. This MOU provides for an equity investment in MCHI by Boeing which, according to Boeing, is “expected to involve significantly less than a 5% interest in MCHI.” Id. Until Boeing confirms that its investment will in fact be less than 5%, Boeing should be deemed an affiliate of MCHI and, hence, an incumbent MSS licensee.

See Celsat Comments at p. 2, Celsat Reply at p. 4, ICO Comment, at p. 3; ICO Reply at pp. 17-18.

Celsat recognizes that a number of comments have raised doubts regarding the technical and legal validity of ICO’s 2 GHz application.

Celsat’s proposal to amend its application in this manner would be conditioned on any costs associated with relocating the incumbents in these bands being shared equally by all MSS licensees. Although Celsat’s system as proposed (using 30 MHz of spectrum) could share spectrum with the BAS-ENG users currently occupying these bands, sharing may become problematic in the case of a 30 MHz allotment.

provides at least two important public interest benefits. First, because Celsat's system is regional only, granting its application will serve the public interest by putting the regional component of the 2 GHz allocation to optimal use at the earliest possible time. In other words, since the regional allocation is not useful to global systems, granting that spectrum to Celsat represents the best possible use of the spectrum and, also, will not harm those applicants proposing global systems.¹⁴

¹⁴ As Celsat demonstrated in its reply, given that the Commission's MSS allocation contains a regional component, the Commission should reject claims that only global systems should be licensed at 2 GHz and proceed expeditiously to grant Celsat's application for a regional system. Celsat Reply at p. 7. None of the reply comments has refuted Celsat's argument that the Commission sought to provide rural Americans with access to MSS and that the regional component of the MSS allocation demonstrates that the Commission envisioned regional only systems. Id. Celsat also noted in its reply that in the requirements for the current FCC filing there is no stipulated or implied FCC requirement that 2 GHz MSS systems be global. Indeed, a close reading of the 2 GHz Order demonstrates numerous instances where the Commission indicated a policy of providing access to MSS service for rural communities, especially in America. See, e.g., Amendment of Section 2.106 of the Commission's Rules to Allocate Spectrum at 2 GHz for Use by the Mobile-Satellite Service, First Report and Order and Further Notice of Proposed Rulemaking, 12 FCC Rcd 7388 (1997) (the "2 GHz Order") at ¶ 2 ("In the PCS Reconsideration Order, we recognized the potential value of MSS in areas that may not be readily or economically served by PCS, such as sparsely populated rural areas"); ¶ 4 ("In the Notice we tentatively concluded that there is a need for more spectrum for MSS, which would provide the public, especially rural Americans, access to new and competitive services and technologies"); ¶ 13 ("We believe that MSS would also provide another option for mobile communications, and would provide communications to underserved areas—such as rural and remote areas where PCS, cellular, and other mobile services are less feasible"); and ¶ 50 ("We are not persuaded by (continued...)")

Second, as Celsat has noted in its prior pleadings, the Commission has stated that "exclud[ing] current licensees from participating in [a] proceeding [will serve the public interest] because competition in the . . . marketplace may be limited if an existing licensee obtains additional spectrum thereby excluding a new licensee from entering the . . . market."¹⁵ Granting Celsat's regional only application provides the Commission with an excellent opportunity to promote competition in the MSS marketplace.¹⁶

¹⁵ (continued)
arguments for or against either GSO or LEO systems . . . a GSO system offers many advantages for domestic-only systems..." (emphasis added). As evidenced by Celsat's filings, as well as the comments of Ericsson and the North American GSM Alliance, Celsat through its low cost service uniquely satisfies this requirement.

Amendment of Part 25 of the Commission's Rules to Establish Rules and Policies Pertaining to the Second Processing Round of the Non-Voice, Non-Geostationary Mobile Satellite Service, 11 FCC Rcd 19841, ¶ 12 (1996) ("Little LEO NPRM")

As noted in Celsat's reply, however meritorious global coverage may be, there is also a need for inexpensive total regional coverage, regardless of the terrain or population density. (Celsat Reply at pp. 2-4). The press relates that the price for a phone for some of the global systems will be in the range of thousands of dollars – the average annual per capita income in some regions of the world. At a cost of a few to seven dollars a minute for these global systems, a several minute phone call may cost nearly a day's pay in those same regions. Furthermore, many foreign markets remain closed to U.S. competitors. Accordingly, the FCC should not expect global services to develop as quickly or competitively as their proponents claim.

Despite the clear intent of this Commission precedent, all of the Big LEO licensees (i.e., Iridium, CCI, Globalstar, and MCHI), together with TMI, attempt to argue that the proposal of Celsat and ICO to license new entrants first is somehow inconsistent with Commission precedent and the public interest. Iridium, Globalstar, and MCHI each cite to the order and authorization granting the Big LEO licenses of MCHI and CCI, where the Commission -- in waiving the financial qualification requirements for these two Big LEO licensees -- noted that future market entry would not be precluded because the 2 GHz allocation "is now available, either for new systems or for expansion of existing systems."¹⁷ The proposal of Celsat and ICO to license new entrants first -- especially in light of Celsat's willingness to reduce its spectrum request and to occupy the spectrum allocated in region 2 only -- would not preclude Big LEO licenses from expanding, when and if necessary, their systems using the globally allocated component of the 2 GHz allocation

Furthermore, as noted above, Commission precedent seeks to prevent spectrum warehousing and to promote new competition, both of which goals would be achieved by adopting Celsat's proposal. Indeed, as the Commission stated in the

¹⁷ Mobile Communications Holdings, Inc., Order and Authorization, 12 FCC Red 9663, ¶ 24 (1997) (the "MCHI Order"). MCHI, apparently misconstruing the Commission's intent in the MCHI Order, claims that "[t]he Commission has indicated its intention to provide [priority] access to 2 GHz spectrum to Big LEO licensees." MCHI Reply at p. 10.

MCHI Order, one of the "Commission's goal[s] [is] fostering developments affording consumers the widest feasible range of choices in service available at the earliest possible date."¹⁸ Adopting the proposal of Celsat -- and expeditiously granting Celsat's application -- would serve both the goal of affording consumers new choices at the earliest possible date *and* would not preclude the expansion of Big LEO systems in a second 2 GHz processing round.¹⁹

Globalstar also vainly attacks the applicability of the Commission's pronouncements in the second Little LEO processing round that new entrants should be given priority, arguing that "ICO and Celsat fail to point out that the 'new entrant' restriction in the NVNG rulemaking was premised on the outcome of a market analysis to determine whether such a rule would be in the public interest."²⁰ Thus, according to Globalstar, "ICO and Celsat have a substantial burden to demonstrate to

¹⁸ MCHI Order at ¶ 25.

As Celsat noted in its prior pleadings, the return of TRW's Big LEO license also creates additional expansion spectrum for Big LEO systems in the bands allocated for that service. (Celsat Comments at pp. 4-6; Celsat Reply at p. 6). Furthermore, despite AMSC's claim that "[t]he MSS L-band is already extremely congested" (AMSC Reply at p. 2), the transfer of the AMSC MSS system to serve another region has freed spectrum that could be used by MSS applicants. (Celsat Reply at p. 6). AMSC also suggests that it faces coordination issues with Canadian, Russian and Japanese satellites. (AMSC Reply at p. 2). Celsat respectfully requests the Commission to seek clarification from AMSC regarding this apparently unsupported claim.

¹⁹ Globalstar Comments at p. 3.

the Commission that the public would be served by reserving the band for their proposals."²¹ Globalstar's argument is ironic indeed, given that the Commission, when discussing its proposal to preclude existing Little LEO licensees from gaining access to spectrum in the second processing round, squarely placed the burden of proof on incumbents like Globalstar: "applicants arguing *against* our proposal to limit second round applicants to new entrants must persuade the Commission that consumer benefits from other factors, such as economics of scale and scope outweigh the benefits of increasing competition."²² Accordingly, if any applicant should bear a burden of proof before the Commission regarding Celsat's proposal to license new entrants first, it should be incumbent MSS licensees like Globalstar.

Globalstar also erroneously suggests that simply because "the Commission has imposed no 'spectrum aggregation limit' on licensees of MSS spectrum,"²³ the Commission cannot adopt Celsat's "new entrants first" proposal.²⁴

²¹ Id. at pp. 3-4. Indeed, the record of this proceeding contains convincing evidence from the North American GSM Alliance demonstrating huge potential demand for Celsat's services. GSM Alliance Comments at pp. 2-6. Globalstar's reliance on the failure of RDSS applicants to create an enduring business for their high cost services has no relevance to the pennies-a-minute service which Celsat will offer.

²² Little LEO NPRM at ¶ 29 (emphasis added)

²³ Globalstar Reply at p. 2.

²⁴ Although, as noted by Globalstar at p. 2 of its Reply, the Commission

(continued...)

The absence of spectrum aggregation limits, however, did not prevent the Commission from proposing a "new entrants first" policy in the second processing round of Little Leo.²⁵ Accordingly, irrespective of whether the Commission has adopted "spectrum aggregation limits" for MSS licensees, the proposal of Celsat and ICO to license new entrants first and defer to a second processing round all incumbent MSS licensees is fully consistent with both precedent and the public interest.²⁶

²⁵ (continued)

determined that the spectrum aggregation limits specifically designed for certain commercial mobile radio services were not appropriate for MSS, this in no way should be understood to mean that *other* spectrum aggregation limits might not be perfectly appropriate for MSS.

²⁶ Little LEO NPRM at ¶¶ 37-38. The Commission also made the following instructive statement which suggests that Celsat's "new entrants first" proposal is perfectly consistent with Commission precedent: "[a]side from the competitive concerns in determining eligibility to hold a second round license, we want to ensure that licensees are making full use of their assigned spectrum before they are granted expansion capacity. We tentatively conclude that it is not in the public interest for this Commission to hold additional spectrum for existing licensees on the basis of speculative long-term traffic projections, if the result is to exclude qualified 'new' entities who are proposing competitive alternatives." Id.

Globalstar also attempts in its reply to argue that adoption of the "new entrants first" proposal would constitute a violation of Ashbacker Radio Corp. v. FCC, 326 U.S. 327 (1945), because grant of a deferred application would be an "empty gesture" and "a denial of an applicant's rights to comparative consideration with mutually-exclusive applicants." Globalstar Reply at p. 6. Ashbacker, however, involved the grant of one of two mutually exclusive broadcast applications without comparative consideration. Given that the Commission has not yet determined whether there is mutual exclusivity among the 2 GHz applications, Globalstar's Ashbacker argument is mis-

III. CELSAT'S APPLICATION FULLY COMPLIES WITH ALL PERTINENT TECHNICAL REQUIREMENTS

In its reply, Celsat fully answered ICO's comments regarding the use of both CDMA and TDMA multiple access methods. Rather than refute Celsat's showing with properly supported engineering data, ICO resorts to empty adjectives and adverbs "technically immature and inherently inefficient."²⁷ Not one of the applicants, however, has refuted the Ericsson statement that

Celsat's technologically advanced approach has been studied by Ericsson's Research and Development Center in North Carolina and has been found to be sound and innovative, and to have realistic performance expectations. While Celsat's overall system concept is, in Ericsson's opinion, visionary it is, nonetheless, based on reasonably low-risk space and ground technology, and could offer a level of communications performance superior to any of the currently planned regional Geo-Mobile satellite systems or any of the global Big LEO (or MEO) systems.²⁸

Given the absence of any support for ICO's position, the Commission should, as demonstrated by Celsat in its reply, dismiss ICO's contentions as irrelevant and unsupported.

²⁷ (continued)
placed

²⁸ ICO Reply at p. 7.

²⁹ Ericsson Comments at p. 2.

MCHI, like ICO, reiterates certain technical arguments in its reply that Celsat disposed of in the prior round of pleadings. Nevertheless, lest there be any misunderstanding regarding certain misstatements made by MCHI, Celsat briefly responds to the reply of MCHI. First, MCHI claims that Celsat's system is "interference prone."²⁹ MCHI's misleading statement is apparently based on the fact that six comments were filed with respect to Celsat's application (all by entities that are not even applicants in the 2 GHz proceeding) regarding Celsat's proposal to use spectrum in the Ka-band for feederlinks. As Celsat demonstrated in its reply, the second processing round for the Ka-band is the appropriate proceeding in which to consider any issues regarding Celsat's proposed feederlinks, a proposition with which the Commission apparently agrees.³⁰ In addition, four of these comments (GE American Communications, Inc., Lockheed Martin Corporation, PanAmSat Corporation and Hughes Communications Galaxy, Inc.) simply did not address spectrum interference issues at all. Furthermore, Celsat demonstrated in its reply that the two comments that *did* raise interference concerns (Bell Atlantic and the Telecommunications Industry Association) were both premature as well as technically

²⁹ MCHI Reply at p. 17.

³⁰ 2 GHz Order at ¶ 51 ("we will address feeder link spectrum in proceedings addressing those bands.")

inaccurate.¹¹ Accordingly, the Commission should not be misled by MCHI's mischaracterization of Celsat's system as "interference prone" (or by the suggestion that other commenters agree with MCHI's mischaracterization).

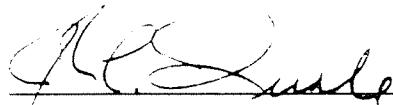
CONCLUSION

As the foregoing demonstrates, Celsat's application satisfies all necessary and appropriate Commission requirements. Accordingly, to bring Celsat's innovative and highly affordable service to the American public at the earliest possible time, the Commission should promptly grant Celsat's application.

Respectfully submitted,

CELSAT AMERICA, INC.

By



Antoinette Cook Bush

John C. Quale

Skadden, Arps, Slate, Meagher
& Flom LLP

1440 New York Avenue, N.W.

Washington, DC 20005-2111

(202) 371-7000

Its Attorneys

Dated June 18, 1998

Celsat Reply at pp. 16-17

CERTIFICATE OF SERVICE

I, Carly B. Tolchin, hereby certify that on this 18th day of June, 1998, copies of the foregoing "Consolidated Response of Celsat America, Inc." were served by U.S. Mail or by hand delivery(*) on the following parties:

Chairman William Kennard*
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

William D. Wallace, Esq.
Crowell & Moring LLP
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Counsel to Global Star, L.P.

Commissioner Harold Furchtgott-Roth*
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, D.C. 20554

Cheryl A. Tritt, Esq.
Morrison & Foerster LLP
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20036
Counsel to ICO Global
Communications Services

Commissioner Michael K. Powell*
Federal Communications Commission
1919 M Street, N.W., Room 844
Washington, D.C. 20554

Warren Grace
Director General
INMARSAT
99 City Road
London EC1Y 1AX
United Kingdom

Commissioner Susan Ness*
Federal Communications Commission
1919 M Street, N.W., Room 832
Washington, D.C. 20554

Patricia A. Mahoney, Esq.
IRIDIUM LLC
1575 Eye Street, N.W.
Suite 500
Washington, D.C. 20005

Commissioner Gloria Tristani*
Federal Communications Commission
1919 M Street, N.W., Room 826
Washington, D.C. 20554

Robert A. Mazer, Esq.
Vinson & Elkins
1455 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Counsel to Constellation
Communications, Inc.

Bill Abeshouse Stern, Esq.
Shaw, Pittman, Potts & Trowbridge
2300 N Street, N.W.
Washington, D.C. 20037
Counsel to Mobile Communications
Holdings, Inc.

Gregory C. Staple, Esq.
Koteen & Naftalin, L.L.P.
1150 Connecticut Avenue, N.W.
Suite 1000
Washington, D.C. 20046
Counsel to TMI Communications
and Company, L.P.

Bruce A. Olcott, Esq.
Squire, Sanders & Dempsey, L.L.P.
1201 Pennsylvania Avenue, N.W.
P.O. Box 407
Washington, D.C. 20044-0407
Counsel to The Boeing Company

Mark Grannis
Harris, Wiltshire & Grannis, LLP
1200 Eighteenth St., N.W.
Washington, DC 20036
Counsel to Teledesic and North American
GSM Alliance

Peter A. Rohrbach
Karis A. Hastings
Hogan & Hartson, LLP
555 Thirteenth Street, N.W.
Washington, DC 20004
Counsel to GE American
Communications, Inc.

Leonard R. Raish
Fletcher, Heald & Hildreth, PLC
11th Floor, 1300 N. 17th St
Rosslyn, VA 22209
Counsel to Fixed Point to Point Communi-
cations Section, Wireless Communications
Division, Telecommunications Industry
Association

Gerald Musarra
Lockheed Martin Corporation
1725 Jefferson Davis Highway, Suite 403
Arlington, VA 22202-4127

Nils Rydbeck
Ericsson Mobile Phones & Terminals
7001 Development Drive
Research Triangle Park, NC 27709

Joseph Godles
Goldberg, Godles, Weiner & Wright
1229 Nineteenth Street, N.W.
Washington, DC 20036
Counsel to Pan-AmSat Corporation

James G. Pachulski
Bell Atlantic
1320 North Court House Rd.
Eighth Floor
Arlington, VA 22201

John Janka
Latham & Watkins
1101 Pennsylvania Ave., N.W.
Suite 1300
Washington, DC 20004-2805
Counsel to Hughes Communications
Galaxy, Inc

Paul J. Sinderbrand
William W. Huber
Wilkinson, Barker, Knauer & Quinn, LLP
2300 N Street, N.W.
Washington, DC 20037-1128
Counsel to The Wireless Cable Association
International, Inc

Bruce D. Jacobs
Glenn S. Richards
Stephen J. Berman
Fisher Wayland Cooper
Leader & Zaragoza L.L.P.
2001 Pennsylvania Ave., N W
Suite 400
Washington, DC 20006
Counsel to AMSC Subsidiary Corporation


Carly B. Tolchin