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JUN 18 1998

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

Federal Communications Commission
Office of Secretary

In re)
)
CELSAT, INC.) File Nos. 26/27/28-DSS-P/LA-97
) 88-SAT-AMEND-98
)
Application For Authority To Construct The)
Space-Segment Of A Geostationary Three)
Satellite Domestic Mobile HPCS System To Be)
Operated In The ET Bands At 1970-1990 MHz)
(Uplink) And 2160-2180 MHz (Downlink), In)
Orbits At 109.2°W, 89°W, And 78°W)
Longitude)

THE BOEING COMPANY) File Nos. 179-SAT-P/LA-97(16)
) 90-SAT-AMEND-98
)
Application For Authority To Construct,)
Launch And Operate A Non-Geosynchronous)
Medium Earth Orbit Satellite System In The 2)
GHz Band)

MOBILE COMMUNICATIONS) File No. 180-SAT-P/LA-97(26)
HOLDINGS, INC.)
)
Application For Authority To Launch And)
Operate ELLIPSO™ 2G)

CONSTELLATION) File No. 181-SAT-P/LA-97(46)
COMMUNICATIONS, INC.)
)
Application For Authority To Launch And)
Operate A Low Earth Orbit Satellite System)

GLOBALSTAR, L.P.) File Nos. 182-SAT-P/LA-97(64) and
) 183 through 186-SAT-P/LA-97
)
Application For Authority To Launch And)
Operate A Mobile-Satellite Service System In)
The 2 GHz Frequency Bands)

IRIDIUM, LLC) File No. 187-SAT-P/LA-97(96)
)
Application For Authority To Launch And)
Operate The MACROCELL Satellite System)

ICO SERVICES LIMITED) File No. 188-SAT-LOI-97
)
Letter Of Intent To Access 2 GHz MSS)
Frequency Bands At 1990-2025/2165-2200)
MHz)

TMI COMMUNICATIONS AND COMPANY. L.P.) File No. 189-SAT-LOI-97
)
)
 Letter Of Intent To Provide Mobile Satellite)
 Service (MSS) In 2 GHz Band)

INMARSAT HORIZONS) File No. 190-SAT-LOI-97
)
)
 Letter of Intent to Provide Mobile Satellite)
 Services to, from, and Within the United States)
 by the Inmarsat Fourth Generation Mobile)
 Satellite Services (MSS) Systems in the 2 GHz)
 MSS Bands)

**CONSOLIDATED REPLY COMMENTS OF
 NORTH AMERICAN GSM ALLIANCE LLC**

North American GSM Alliance LLC, a consortium of U.S. and Canadian digital wireless PCS carriers, hereby replies to those applicants who persist in pretending that the Commission should reserve, or has already reserved, the 2 GHz MSS spectrum for expansion of the already-licensed “Big LEO” systems. The arguments advanced by these applicants are as specious as they are self-serving. The Commission should reject these arguments and focus instead on its statutory mandate to license systems that will serve the public interest, beginning with new entrants like Celsat.

Iridium, Globalstar, and MCHI all argue that it is appropriate to assign additional spectrum to “Big LEO” licensees for “expansion.”¹ They cite various estimates of expected growth in demand for MSS, and argue that “Big LEO” licensees will need additional spectrum to meet this growth in demand. There are two fatal flaws in this argument. First, a growth in demand can be met *either* by expanding the capacity of existing suppliers, *or by allowing new*

¹ Consolidated Response and Opposition to Petition to Hold in Abeyance of Iridium, LLC (filed June 3, 1998 in File No. 187-SAT-P/LA-97), at 3-6; Reply to Comments of Globalstar, L.P. (filed June 3, 1998 in File No. 182-SAT-P/LA-97), at 2-4; Consolidated Reply Comments of Mobile Communications Holdings, Inc. (filed June 3, 1998 in all pending 2 GHz MSS application proceedings), at 3-5.

suppliers to enter the market. The public interest virtually always favors the latter course, as it provides not only an increase in overall supply, but an increase in competition among suppliers as well. Second, if there is likely to be a shortage of MSS spectrum in the next few years, then surely the *last* thing the Commission should do is assign the next available MSS bands to “expansion” or “second-generation” systems. Applicants like Celsat can and will use the spectrum to meet market demand for MSS right away. A decision to assign spectrum to such new entrants therefore meets the need for more MSS spectrum much earlier than a decision to hold it back for existing “Big LEO” licensees who have neither the ability nor the incentive to make use of the spectrum in first-generation systems.

Globalstar also argues that new entrants cannot be favored over “Big LEO” licensees because the Commission has not adopted any spectrum aggregation limit for MSS providers.² This is an obvious *non sequitur*. The Communications Act requires that the Commission make its licensing determinations according to the public interest. With or without an explicit spectrum cap, it simply does not serve the public interest to give more spectrum to incumbents for “second-generation” systems when the same spectrum could be used to support additional “first-generation” competition.

MCHI goes even further than the others, shamelessly arguing that the Commission should give “Big LEO” licensees *priority* over new entrants. MCHI contends that this would “simplify the authorization process,”³ and of course it would. Fortunately for the American people, however, that is not the standard. The standard is the public interest, and MCHI offers


² Globalstar Reply at 2-3.

³ MCHI Consolidated Reply Comments at 3.

no cogent explanation of how *the public* is better off with the spectrum in MCHI's hands than in the hands of a new entrant.

The Commission has, of course, found that the "Big LEO" service is capable of providing a type of service that promotes the public interest. But the same could be said of every service to which the Commission has ever allocated spectrum. Without in any way questioning the Commission's decision to allocate spectrum in the 1.6/2.4 GHz bands to the "Big LEOs" several years ago, the 2 GHz band is a new band in which new facts must be weighed. The fact that 15 MHz of the uplink spectrum is only available in Region 2 strongly suggests that there is room in this band for a regional entrant like Celsat in addition to whatever global systems can be accommodated in the global spectrum. In both the regional and the global portions of the band, the Commission should make sure that the available spectrum is used in a manner that puts competition first, with expansion spectrum assigned only if spectrum is available and system traffic warrants it.

Respectfully submitted,

By: 
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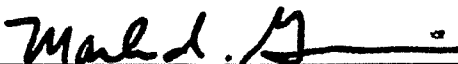
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