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JUN 3 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)		

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

North American GSM Alliance LLC, a consortium of U.S. and Canadian digital wireless PCS carriers,¹ hereby responds to those commenters who seek to disqualify any applicant who proposes to build a system that is not “global.” The Alliance urges the Commission to resist the entreaties of the “global only” crowd, for a decision to disqualify regional systems would shortchange GSM users here in the United States *and* in the rest of the world — a globally unfortunate result.

The Alliance supports the Celsat application because Celsat’s system would, from the first day of operation, extend the benefits of GSM service throughout the entire United States and

¹ The GSM Alliance represents the interests of leading PCS carriers in the United States and Canada. Members of the Alliance are currently providing digital wireless PCS services in more than 1,500 cities and towns in the U.S. and Canada, using the “Global Systems for Mobile” or “GSM” technical standard. GSM companies provide customers with superior voice clarity, unparalleled security, and leading-edge wireless voice, data, and fax features. More than 2 million customers in 41 states and the District of Columbia use the GSM service, and the markets actively served by members of the Alliance cover nearly sixty percent of the population of the United States.

most of Canada. Celsat's technology would make it possible for terrestrial GSM providers to provide users of GSM phones with true continental mobility at pennies per minute. This result would benefit the millions of GSM subscribers in the U.S., the millions of North Americans who still have no handheld mobile voice service of any kind, and the millions of people around the world who would be able to use their GSM phones anywhere in North America with Celsat's system.

Despite these unusually strong public interest considerations, several competing applicants urge the Commission to disqualify regional systems like Celsat from some or all of the available spectrum. Iridium argues that regional systems should be excluded "in light of the large number of MSS global system proposals in this processing round."² MCHI suggests that licensing a regional system "may preclude another entity from using the same spectrum to provide global service."³ Boeing seems to rely primarily on an unstated assumption that global systems will be U.S. systems,⁴ despite the presence of at least two non-U.S. applicants who propose global systems.

These arguments are all deeply flawed. Most obviously, they fail to account for the plain fact that much of the spectrum at issue here is not available for use outside ITU Region 2. This fact is perhaps regrettable, but it suggests nonetheless that at least some of the systems licensed

² Consolidated Comments and Petition to Deny of Iridium LLC (conformed version of May 5, 1998), at 9-10.

³ Petitions to Deny and Comments of Mobile Communications Holdings, Inc. (May 4, 1998), at 8.

⁴ See Petition to Deny or Hold in Abeyance of the Boeing Company (May 4, 1998), at 4.

by the Commission should *not* be global. It simply makes no sense to require any operator to build a “global” system using spectrum that can only be used on one third of the globe.

Iridium at least understands the nature of the problem, and urges the FCC to undertake diplomatic efforts to unify the MSS allocation across the three regions. But as Iridium knows, the U.S. *has* tried to unify the allocation for several years now, with practically no success. With this track record, it would be far more sensible to make a virtue of necessity, and (as Constellation suggests) exploit the regional differences in 2 GHz MSS allocations “to maximize the number of systems licensed by the Commission.”⁵

The commenters who wish to exclude regional systems like Celsat argue as though every MSS system in every MSS band must be global, but they do not and cannot support this proposition. There are a variety of different user profiles for MSS; not all of the potential subscribers are globetrotting executives who will carry special phones. Some users, if not most, will be content to confine their roaming to a single continent, and a regional architecture may serve these users much more efficiently than a global one. This is not to deny that global satellite systems can be of great public benefit; they can. But so can regional systems. The idea that *every* system must be global is nothing more than the self-serving, unsupported assertion of a few applicants proposing global systems.

The Commission should be particularly skeptical of the unspoken assumption that the public benefit from any particular system is proportionate to the system’s coverage area. The number of users served is at least as relevant a measure. MCHI cites a study it commissioned to assert that there may be 60 million “Big LEO” subscribers by 2005 -- *but there are over 82*

⁵ Comments of Constellation Communications, Inc. (May 4, 1998), at 10.

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 per minute. In other words, one user’s “global service” is another user’s “niche” offering. The amount of metal in the sky is no proxy for the amount of benefit on the ground.

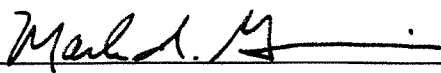
The public interest benefits of the Celsat system are not, of course, exclusively or even primarily international. The main beneficiaries of the Celsat system will be the millions of Americans who live, work, or travel in areas where not even analog roaming is available. After Celsat is operational, GSM users from New York, Chicago, and Washington, D.C. will know that their phones will work in Montana, North Dakota, or Alaska. Furthermore, they will know that the service they receive in less densely populated places is as clear and as cost-effective as their ordinary GSM service — much better and more cost-effective than current cellular roaming. This benefit to the American public is what the Commission should keep foremost in its mind.

But to the extent the Commission is inclined to think about “global” benefits, it should remember the “Global System for Mobile” — GSM. Boeing argues that the Commission “should deny Celsat’s application to the extent that it fails to use globally allocated spectrum to serve the world’s population.”⁶ What Boeing fails to appreciate is that much of “the world’s population” is using GSM phones. A decision to disqualify Celsat would deprive “the world’s population,” including many still-unserved Americans, of the ability to use a lightweight, pocket-

⁶ Boeing Comments at 5.

sized, economical GSM phone throughout the U.S. and Canada. That result would disserve the public interest.

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By: 
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June 3, 1993

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CERTIFICATE OF SERVICE

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