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LAW OFFICES
GOLDBERG, GODLES, WIENER & WRIGHT
1229 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036-2413

ORIGINAL

HENRY GOLDBERG
JOSEPH A. GODLES
JONATHAN L. WIENER
LAURA A. STEFANI
DEVENDRA ("DAVE") KUMAR
HENRIETTA WRIGHT
THOMAS G. GHERARDI, P.C.
COUNSEL
THOMAS S. TYCZ*
SENIOR POLICY ADVISOR
*NOT AN ATTORNEY

(202) 429-4900
TELECOPIER:
(202) 429-4912

e-mail:
general@g2w2.com
website: www.g2w2.com

FILED/ACCEPTED

JAN 23 2007

Federal Communications Commission
Office of the Secretary

January 23, 2007

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

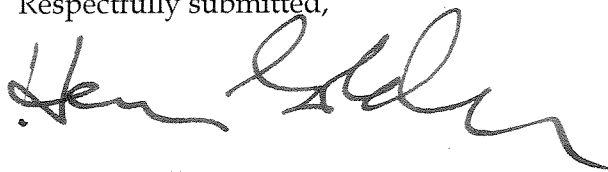
Re: File No. SAT-MOD-20061206-00144
Ex Parte

Dear Ms. Dortch:

This is to inform you that, on January 22, 2007, in connection with the above-referenced proceeding, Alexandra Field, Vice President of Regulatory Affairs, TerreStar Networks, Inc., Gregory Staple of Vinson & Elkins, Thomas Tycz of this firm, and the undersigned, met with Roderick Porter, Deputy Bureau Chief of the International Bureau, and Gardner Foster, Robert Nelson and Karl Kensinger of the International Bureau. The purpose of the meeting was to discuss TerreStar's need to select its operating frequencies as soon as possible and to reach agreement with New ICO Satellite Services G.P.. The materials that were provided and discussed are attached hereto.

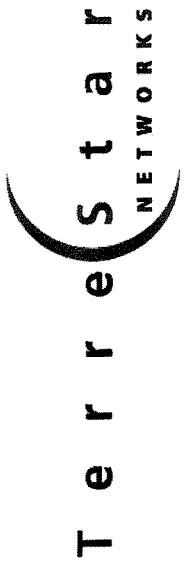
Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,



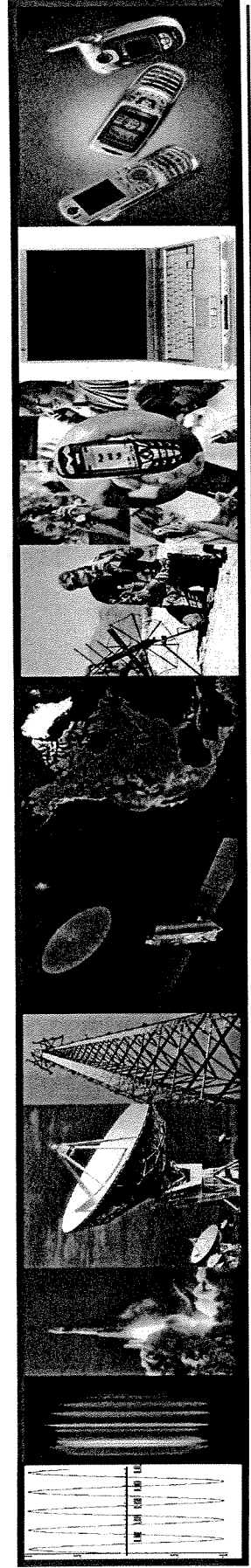
Henry Goldberg
Attorney for TerreStar Networks, Inc.

cc: Roderick Porter
Gardner Foster
Robert Nelson
Karl Kensinger



Band Selection Issues

22 January, 2007

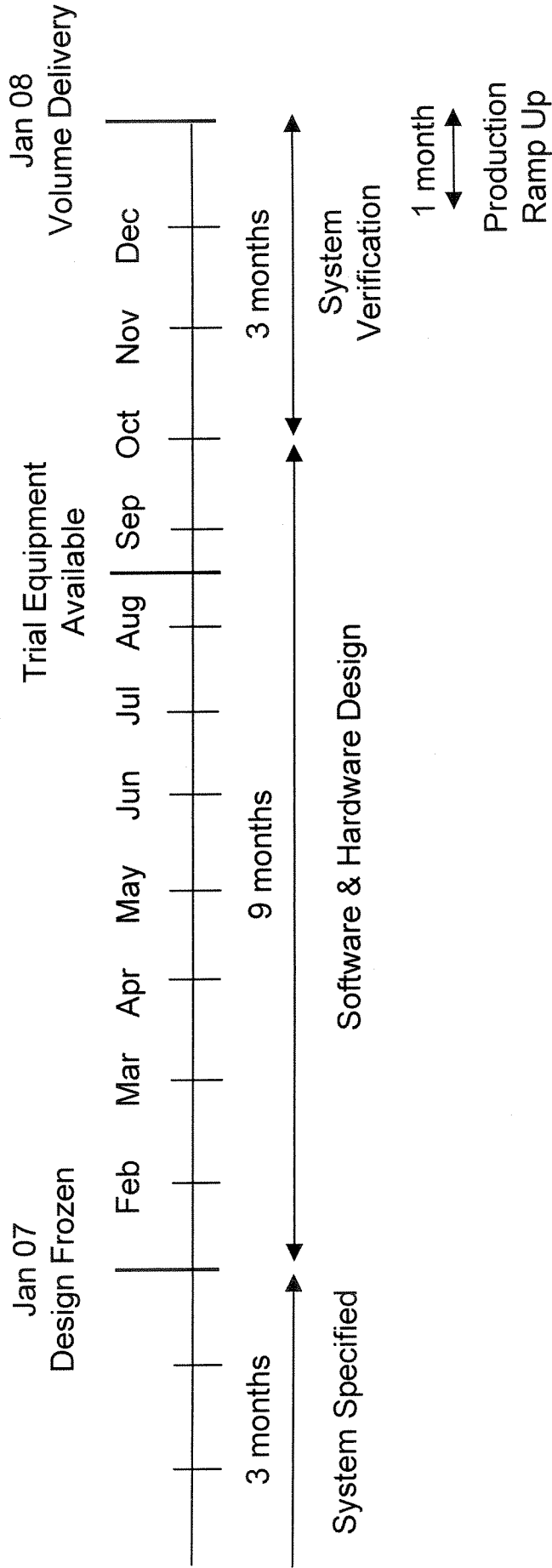


Band Selection and Channel Assignment for Base Stations

- **TerreStar Vendors can progress only so far with their R & D without final band selection**
 - Blocks Selection – Which combination of the S-band blocks will TerreStar be assigned?
 - A and C, B and D, A and D or B and C
 - Transmit and Receive Spacing – What will the spacing be?
 - **Base Station impact**
 - Designs have already progressed significantly beyond the “from scratch” phase
 - The development timeline is already pressed to meet the required system deployment date, any changes to the current design (channel spacing) will cause extra challenges in meeting the timeline.
 - The later the decisions are made, the greater the impact.
 - Changes to the current assumptions will further delay the timelines
-

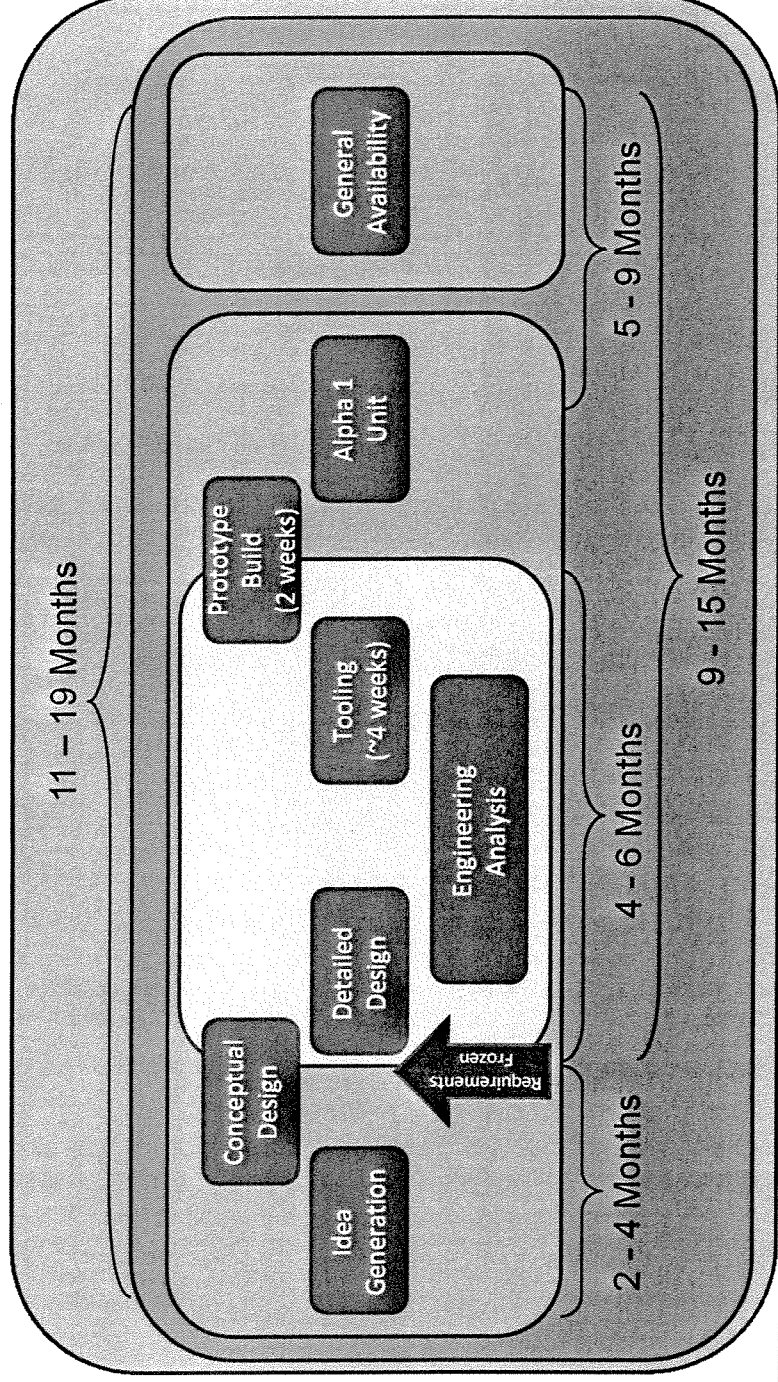
Base Station Development Timeline

- Based on a 15 Month Process



Handset Development Timelines - Industry Historical Perspective

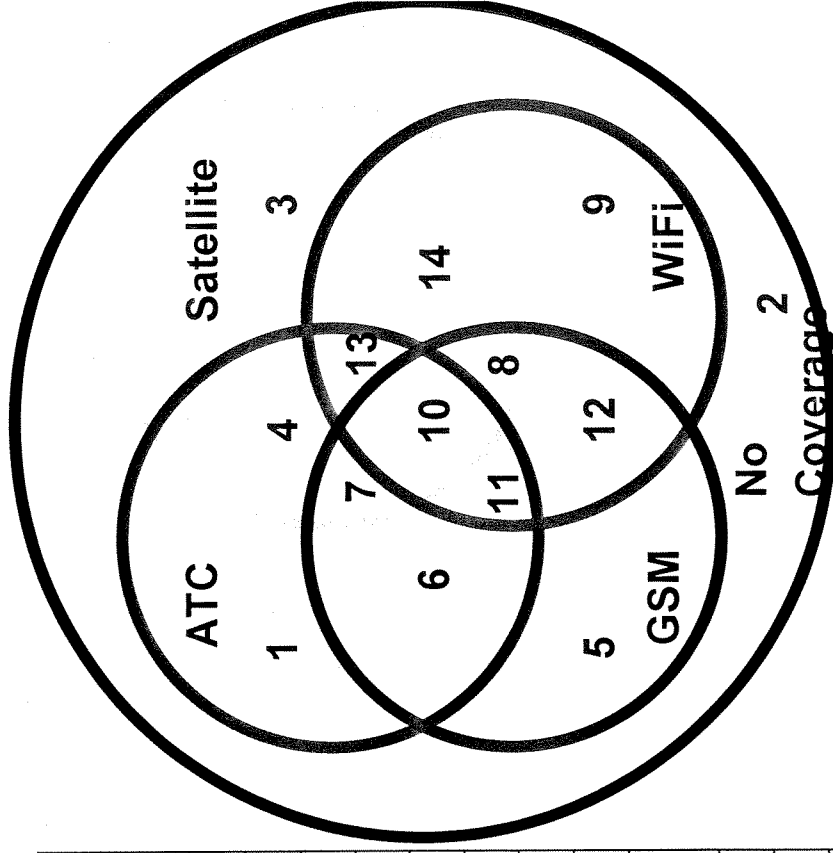
- A typical time frame to development handset is between 11 and 19 months
 - **First of its kind products can take 24 to 30 months (i.e. Apple iPhone, Motorola Razor)**
- Development of some hardware components and chipsets has a dependency on the actual frequencies used
 - **A delay in knowing the frequencies will very probably push out all delivery milestones**



Why such a long development time? Think Mobility from a handset perspective

- Increasingly complex handset features and data services require more sophisticated software
- ~85% of workload in 3/4G handsets is in software design
- Software design is heavily impacted by chipset
- Chipset is impacted by frequencies used

Zone	Network	Possible States	Combinations
1	ATC	2	2
2	No coverage	1	1
3	Satellite	2	2
4	ATC + SAT	4	8
5	GSM	2	2
6	ATC + GSM	4	8
7	ATC + SAT + GSM	8	384
8	SAT + GSM	4	8
9	WiFi	2	2
10	ATC + SAT + GSM + WiFi	14	645120
11	ATC + GSM + GSM	8	384
12	GSM + WiFi	4	8
13	ATC + SAT + WiFi	8	384
14	SAT + WiFi	4	8

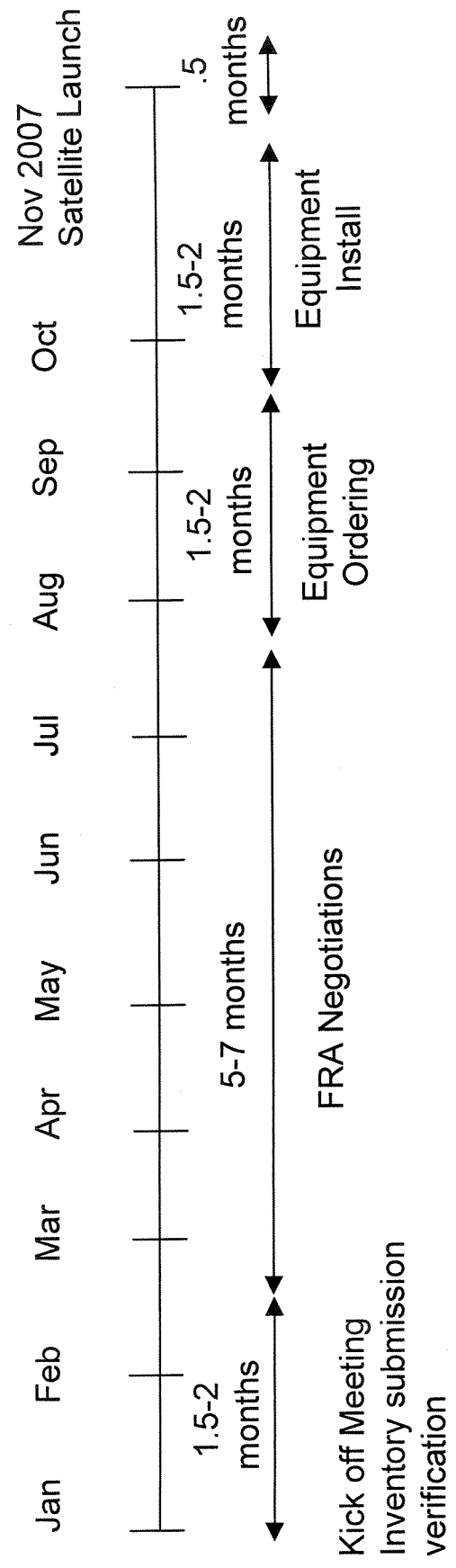


Band Selection and Microwave Market Clearing

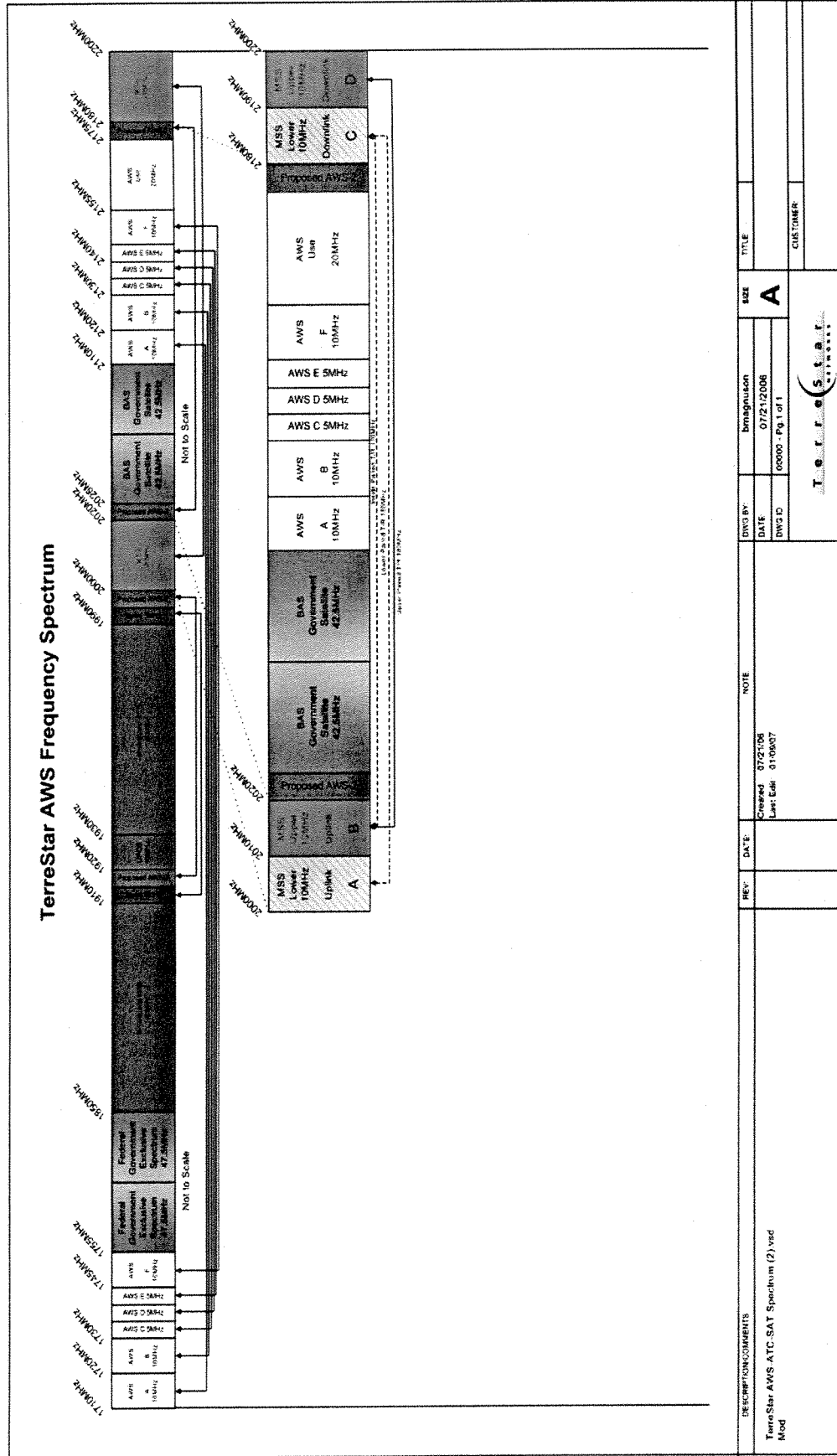
- TerreStar cannot properly plan or begin incumbent microwave clearing in support of satellite initial operation without band selection
 - Use of 10 MHz downlink for satellite depends on actual frequencies used
 - TerreStar is delayed in microwave clearing for ATC deployment
 - Clearing process is 10-13 month process and must be cleared prior to ATC/satellite operations
 - Financial risk of TerreStar launching satellite and not being able to radiate due to delay in microwave clearing driven by delayed band selection
 - Significant financial impact
 - For example, TerreStar analysis shows that for Miami market there are 34 interfered paths in A/B bands and 18 interfered paths in C/D. Early clearing activity that is subsequently reversed by band selection would be of significant financial impact to TerreStar
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Microwave Clearing Timeline

- Based on 10-13 Month standard Process



Band Selection and Channel Assignment



REV.	DATE	NOTE	DWG BY	DATE	SIZE	TITLE
			brmagnum	07/21/2008	A	
		Created 07/21/08 Lwt: Esh 010807				
			DWG D	00000 - Pg. 1 of 1		CUSTOMER
DESCRIPTION/COMMENTS						
TerreStar AWS-ATC-SAT Spectrum (2).vsd						
Mod						



December 22, 2006

J. Timothy Bryan
 Chief Executive Officer
 11700 Plaza America Drive, Suite 1010
 Reston, Virginia 20190

Dear Tim:

To follow up on our recent conversations, I want to emphasize that our FCC filing asking for the designation of service frequencies in the 2 GHz band was not in any way intended as a pre-emptive strike against ICO. We would have preferred to be able to go to the FCC with a joint solution and request, but we simply ran out of time and could no longer delay.

As you know, we have a strong and immediate need to identify our particular service frequencies in order to work with our chipset vendors, to plan service with our customers and potential customers, and to continue with our microwave clearance efforts. We assume that you are facing similar requirements and think that it would be in our mutual interest to expedite this process by reaching agreement on the particular frequencies each of our companies would be assigned. Our proposal in this regard is explained below.

Given the FCC's existing authorization of 10 MHz of 2 GHz MSS spectrum in each direction to each company and its requirement that each 10 MHz be comprised of contiguous spectrum from band edge, there are really only four possible ways that ICO and TMI/TerreStar could divide the band. The four possible combinations are as follows:

<u>Scenario</u>	<u>TMI/TerreStar</u>	<u>ICO</u>
1	Block B uplink (2010-2020 MHz) Block C downlink (2180-2190 MHz)	Block A uplink (2000-2010 MHz) Block D downlink (2190-2200 MHz)
2	Block A (uplink) Block C (downlink)	Block B (uplink) Block D (downlink)
3	Block B (uplink) Block D (downlink)	Block A (uplink) Block C (downlink)
4	Block A (uplink) Block D (downlink)	Block B (uplink) Block C (downlink)

We determined that the frequency split shown in Scenario 1 would work best for the planned use of our system, the technologies that we are considering, and our customers' needs. Apparently, ICO too has its reasons for wanting Blocks B and C. Given this impasse, we could oppose each other at the FCC and require the Commission to make a business and technology



based selection for us. That strikes me as not good for either company and not fair to the Commission.

Moreover, a frequency controversy at the FCC will delay a decision on service frequencies just as we are getting to the point at which such a selection must be made for the technology and business reasons to which I have referred. As we highlighted in our recent filing on this point, delays now directly impact development and testing schedules as well as relocation processes and inevitably lead to downstream delays in implementing effective operational service by milestone dates that are rapidly approaching.

Accordingly, to allow each of our companies to move forward with specific frequency assignments and since neither of us is willing to compromise on Blocks B and C, we propose that neither company have a Block B and Block C uplink/downlink combination and that, in a spirit of compromise and cooperation, out of the two remaining scenarios, ICO may choose either one. Once ICO has chosen, TerreStar will make appropriate regulatory filings. Timing is critical, however. Although we would like to get this matter agreed upon with ICO before the New Year, recognizing that many may be soon starting holiday vacations, we need your response to our proposal by January 8, 2007.

We hope that you can support this compromise and that we can spare each other and the FCC a battle over frequency selection.

Sincerely,

/s/ Bob

Robert H. Brumley
Chief Executive Officer



ICO Global Communications
(Holdings) Limited
11700 Plaza America Drive, Suite 1010
Reston, VA 20190
Tel: (703) 964-1400
Fax: (703) 9641401

January 5, 2007

Mr. Robert H. Brumley
Chief Executive Officer
TerreStar Networks
One Discovery Square
120101 Sunset Hills Rd.
Suite 600
Reston, VA 20190

Dear Bob:

This responds to your latest letter, dated December 22, 2006, which I received on Tuesday upon returning from the holidays. While we would like to collaborate with TerreStar wherever feasible, your letter is puzzling.

The basic premise of your letter is simply wrong. We are not at an "impasse" that will embroil the FCC in a "battle" requiring it to "make a business and technology based selection for us." As I have explained, and as you must know, the FCC has already ruled that the first to commence satellite operations in the 2 GHz band will be the first to select its spectrum blocks. *See Establishment of Policies and Service Rules for the Mobile Satellite Service in the 2 GHz Band*, IB Docket No. 99-81, Report and Order, 15 FCC Red 16127 ¶ 16 (2000) (2 GHz MSS R&O). Thus, the FCC has already determined the selection mechanism, and ICO is confident that it will be the first to meet its requirements. We are certain, and you must be aware, that the FCC would be concerned over an attempt to force it to revisit an issue it has already decided.

In your FCC filing, you insist that the primary justification for the FCC's amending of its regulations and ICO's license is that TerreStar needs spectrum *certainty*, i.e., that the timing of your plans requires knowledge of your spectrum position today. As I have indicated in emails and over the phone, ICO is fully prepared to give you that certainty. However, we must be permitted to choose our spectrum under a joint proposal, since we will be permitted to choose first in accordance with the rules.

Your claim that TerreStar "ran out of time" to present a joint solution is also unpersuasive. TerreStar was under no particular time deadline to file when it did – as underlined by the suggested response date of January 8, 2007 for your latest "joint proposal." This is particularly true given that high-level officers in our companies were exchanging emails and voicemails on how to affect the collaboration which you so strongly insist is necessary.

Mr. Robert H. Brumley
January 5, 2007
Page 2

I therefore offer once again to cooperate completely with TerreStar in gaining the spectrum certainty that TerreStar requests, if TerreStar agrees that ICO may choose its spectrum first in accordance with the regulations. ICO will join with TerreStar in any filings necessary to accomplish the foregoing, and we will inform the FCC of our efforts to work with TerreStar to have spectrum selection assignments made for 2 GHz spectrum in advance of the date specified by the FCC, through a waiver of the rules as proposed by TerreStar, so long as ICO's position under the current rules is respected.

Sincerely,

A handwritten signature in black ink, appearing to read "TIM", with a horizontal line above the letters.

J. Timothy Bryan
Chief Executive Officer