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February 29, 2000

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BY MESSENGER

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals, TW-A325
445 Twelfth Street, S.W.
Washington, D.C. 20554.

Re: Notice of *Ex Parte* Presentation:
IB Docket No. 98-172, RM-9005, RM-9118

Dear Ms. Salas:

Pursuant to Section 1.1206(b) of the Commission's rules, Hughes Electronics Corporation and Hughes Network Systems ("Hughes") hereby submit this notice of an ex parte presentation.

Yesterday, representatives of Hughes met with Commissioner Susan Ness and Mark Schneider to discuss Hughes' positions of record in this proceeding. The Hughes representatives were Mr. Michael T. Smith, Chairman and CEO of Hughes Electronics Corporation, Mr. Michael Cook, Vice President and General Manager of HNS Spaceway, Ms. Joslyn Read, Assistant Vice President, Regulatory & International Affairs for HNS, and the undersigned. Hughes also distributed the enclosed materials.

No. of Copies rec'd 0+4
List A B C D E

If there are any questions concerning this notification, please contact me at 202-637-2200. An original and one copy are enclosed.

Respectfully submitted,

John P. Janka

Enclosure

cc: Commissioner Susan Ness
Mark Schneider

Hughes Spaceway™ Broadband System

Federal Communications Commission

February 2000

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Background on Hughes SPACEWAY

- Hughes SPACEWAY will close the "Digital Divide"
  - mass-marketed, ubiquitous subscriber terminals providing affordable high-speed broadband digital communications to all Americans - urban, suburban, remote, tribal
- Hughes' commitment to SPACEWAY
  - DIRECPC is the first broadband satellite service
  - $1.4 billion committed for SPACEWAY in North America
  - Construction contract for 2 satellites + 1 spare
- Hughes' past successes demonstrate our ability to deliver
  - DIRECTV
  - Galaxy

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Current Problem

HUGHES SPACEWAY

- Shared band is inconsistent with mass marketed, ubiquitous user terminals
  - September 1998 downlink segmentation proposal called for 250 MHz of unshared downlink spectrum
    - plus 250 MHz shared
  - December 1999 proposal calls for 220 MHz of unshared downlink spectrum
    - plus 280 MHz shared
- Deviates from 125 MHz spectrum "building blocks" that formed the basis for the 1996 uplink band plan and the 1997 spacecraft licenses

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Impact on SPACEWAY of 30 MHz Incursion

HUGHES SPACEWAY™

- Any shared spectrum proposal limits system capacity
  - limits numbers of users who can be served
  - hampers ability to compete with terrestrial alternatives
- Proposed further 30 MHz reduction of unshared band creates significant problems
  - renders another whole 125 MHz channel unusable due to terrestrial interference
    - forces system redesign
    - delays roll-out of service
  - same result with any encroachment

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What Hughes SPACEWAY Needs From the FCC

- Access to sufficient, usable downlink bandwidth, consistent with our FCC license

- Need 1000 MHz of unshared downlink spectrum

  - 500 MHz already available under existing rules (19.7-20.2 GHz)
    - Hughes to bring these frequencies into use in 2002

  - 500 MHz in this proceeding (18.3-18.8 GHz), consistent with our existing license
    - Hughes to bring these frequencies into use from 2004

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Compromise Solution: 30 MHz

HUGHES SPACEWAY™

- In the contentious 30 MHz, phase out terrestrial use over time:
  - Analog, one-way licensing continues until 2004
  - No digital or two-way licenses after Report & Order issued
  - Analog services become secondary in 30 MHz at later of either 2004 or 6 months after first satellite launched
  - Analog services in 30 MHz cease in 2007
- Open 12 GHz CARS band for use by Private Cable Operators (PCOs)
  - PCOs want and need access to 12 GHz CARS band for expansion to compete with franchise cable
- Hughes committed to finding solution with PCOs

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Compromise Solution: 18.3-18.8 GHz

HUGHES SPACEWAY™

- Provide at least 250 MHz of Primary GSO FSS spectrum
  - Maintains integrity of 125 MHz "spectrum building blocks" used in most Ka-band GSO FSS spacecraft designs
- Any Co-Primary use in 18.3-18.8 GHz band must be shared pursuant to existing FCC rules (Sec. 25.203)
  - No geographical or numerical limits on GSO FSS subscriber terminals

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