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FEDERAL COMMUNICATIONS COMMISSION
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The Honorable Ernest F. Hollings
Chairman
Committee on Commerce, Science
and Transportation
United States Senate
254 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Hollings:

Thank you for your letter of August 8, 2002, concerning a proposal pending at the Commission seeking authorization of terrestrial use of Mobile Satellite Service ("MSS") spectrum. I appreciate your interest in this important rulemaking. The issues involved are inordinately complex and reach the core of spectrum management policy. The Commission's challenge is to establish market-based policies that encourage efficient use of spectrum and development of innovative ways to serve U.S. consumers.

In March 2001, the Commission received two proposals from MSS operators to reuse assigned frequencies with terrestrial base stations to provide a terrestrial component to their MSS networks. In August 2001, the Commission issued a *Notice of Proposed Rulemaking* ("NPRM") regarding those proposals and sought comment on whether, if so, and how to grant incumbent MSS licensees additional flexibility in three MSS frequency bands: the S-band (1990-2025 MHz/2165-2200 MHz); the L-band (1525-1559 MHz/1626.5-1660.5 MHz); and the "Big LEO" band (1610-1626.5 MHz/2483.5-2500 MHz). We received numerous comments and reply comments in response to this NPRM. On March 6, 2002, the Commission issued a Public Notice seeking additional comment on an alternative proposal for the MSS bands. Commission staff currently are reviewing the approximately 2,500 pages of comments, replies, supplemental comments, and *ex parte* filings submitted in this proceeding. They are working diligently to analyze and resolve the complex legal, technical, and spectrum issues involved. I assure that the Commission will make its decision as expeditiously as possible.

Thank you for sharing your views on this matter. We have placed your letter in the public record in this proceeding. Please let me know if you have any further questions about this matter.

Sincerely,

Michael K. Powell
ChairmanNo. of Copies rec'd _____
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