

December 24, 2002

**Via Electronic Filing**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
Portals II  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Re: Mobile Satellite Ventures Subsidiary LLC  
*Ex Parte* Presentation  
IB Docket No. 01-185;  
File No. SAT-ASG-20010302-00017 et. al.

Dear Ms. Dortch:

MSV is a pioneer in the Mobile Satellite Service industry, providing service throughout North America since 1996. Recognizing the operational and financial limitations of providing service with only satellites, MSV nearly two years ago was the first to request authority to include an ancillary terrestrial component in its satellite system. As the rulemaking enters its final stage, MSV would like to emphasize the following key points:

*A legitimate satellite system is the one critical gating factor.* In any consideration of gating factors, we urge the Commission to focus on the requirement to launch a legitimate satellite system that provides continuous coverage of all fifty states. Such a requirement is sufficient to insure that high-quality satellite service will be available to all customers, including those in rural areas. The launch of a legitimate satellite system requires an investment of at least approximately \$1 billion. Any company making such an investment will want to maximize its value. The recent experience with Satellite Digital Audio Radio Service is instructive. Even with authority to operate terrestrial repeaters, the SDARS licensees built and operate systems that include the highest-power satellites possible, in order to maximize satellite coverage, and rely only where necessary on the fewest possible terrestrial repeaters. The SDARS licensees' reliance on their satellites has been contrary to the predictions of their opponents, who claimed that the systems would be primarily terrestrial systems with only weak satellites.

*Any consumer equipment gating factor should permit equipment to be sold as components.* The presence of legitimate satellite systems should obviate the need for the FCC to regulate consumer equipment. Nevertheless, to the extent the Commission is compelled to include a gating factor that requires all customers initially to acquire equipment capable of operating with the licensee's satellites, MSV does not oppose such a requirement. It is critical, however, that you permit the equipment to be sold in the form of components rather than as a

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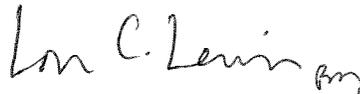
single integrated handset. This will make it possible to offer ancillary terrestrial service earlier, facilitate the availability of more attractive equipment, and permit users to upgrade their equipment more frequently at less cost.

*A requirement to always look first to the satellite would reduce the quality of service.*  
MSV has no objection to a requirement that its licensed spectrum be available at all times for those users needing satellite service. This is a fundamental aspect of our system design. We do object, however, to suggestions that the system be designed so that user equipment always “looks first” to the satellite. The requirement cannot be defined in any practical way. Details on handoffs, signal reacquisition, beam crossing, and acceptable signal acquisition delays, to name just a few examples, would have to be the subject of continued Commission oversight. In any event, this requirement would add a layer of artificial complexity that would result in spectrum and operational inefficiencies, reducing significantly the quality of service.

The prospect of being able to improve the value of satellite service by adding an ancillary terrestrial component is exciting for the industry and invigorates its plans for continuing and improving service to all Americans. As you finalize the requirements for such authority, we urge you to give due weight to the views described above.

Please refer any questions to the undersigned.

Very truly yours,



Lon C. Levin  
Vice President and Regulatory Counsel

cc: Chairman Michael K. Powell  
Commissioner Kathleen Q. Abernathy  
Commissioner Michael J. Copps  
Commissioner Kevin J. Martin  
Commissioner Jonathan S. Adelstein  
Don Abelson  
Thomas Sugrue  
Edmond Thomas  
John Branscome  
Samuel Feder  
Paul Margie  
Barry Ohlson  
Bryan Tramont