

Before the
U.S. Department of State
Office of International Communications & Information Policy
Washington, DC

Proposals to Modify and Expand)
The Role of the International)
Mobile Satellite Organization)
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**COMMENTS OF GLOBALSTAR, L.P.,
GLOBALSTAR USA LLC, AND GLOBALSTAR CARIBBEAN LTD.**

The Office of the Coordinator for International Communications and Information Policy of the U.S. Department of State has requested comment on proposals from the International Mobile Satellite Organization (“IMSO”) Assembly of Parties to be discussed at an IMSO Intersessional Working Group (“IWG”) in January 2003.¹ Specifically, the IWG will discuss “the role of IMSO in respect of the Global Maritime Distress and Safety System (GMDSS), aeronautical safety services and service to rural and remote areas of developing countries, including the principle and legal methodology of a possible extension or expansion of IMSO’s mandate.”

For the reasons set forth below, the United States should oppose any effort to expand IMSO’s mandate and should vote against the proposed amendments to the IMSO Convention from the Party of Denmark.

¹ 67 Fed. Reg. 65403 (Oct. 24, 2002).

I. Globalstar and Other Commercial Satellite Systems Provide Maritime Services in Competition with Inmarsat.

Globalstar, L.P. ("GLP"), is the manager of the Globalstar™ Mobile-Satellite Service ("MSS") system and owns and operates the global MSS business provided over a constellation of 48 non-geostationary satellites.² GLP contracts for space segment capacity with service providers who are authorized to offer voice, data and other telecommunications services to end users in individual countries. In certain territories, including North America, subsidiaries of GLP offer MSS directly to consumers. Globalstar USA LLC ("GUSA") is the service provider for Globalstar in the United States, and operates a gateway earth station in Clifton, Texas. Globalstar Caribbean Ltd. ("GCL") operates a gateway earth station for the Globalstar system serving the Caribbean region.

As of September 30, 2002, Globalstar service was available in 133 countries, including the United States, through 24 gateway earth stations operated by Globalstar service providers. There were about 80,000 commercial subscribers.

Globalstar services compete with maritime and other MSS services provided by Inmarsat Ltd., the privatized company recently created from the former International Maritime Satellite Organization.³ While commercial MSS systems

² The Federal Communications Commission granted authority to construct, launch and operate the system in January 1995. See Loral/Qualcomm Partnership, L.P., 10 FCC Rcd 2333 (Int'l Bur. 1995). U.S. commercial service commenced in January 2000.

³ See COMSAT Corporation, 16 FCC Rcd 21661, 21669 (2001).

are not designed specifically to replace GMDSS as offered by Inmarsat, they can offer vessels the same level of reliable telecommunications services available to land-based users of the Public Switched Telephone Network ("PSTN"). Once the availability of MSS and the accessibility of terrestrial-quality phone service at sea are recognized, users will want to carry these phones as either a substitute or a back-up for traditional maritime communications.

For example, the Globalstar system was designed to maintain constant, full service quality to 200 miles from the coastline of the United States and every other country where Globalstar service is authorized. Thus, any vessel within at least 200 miles of shore can now be connected with the PSTN through the Globalstar system.⁴ A vessel travelling from Alaska down the West Coast of the United States to the tip of South America and back up the East Coast to Canada can have continuous Globalstar service.

In addition to voice service, Globalstar phones can be configured for Internet access, and, when connected to a computer, can receive e-mail. Also available are position location services, short messaging, and digital facsimile. Data transmission over the air is up to 9600 bps with no additional modem or dedicated telephone required. In short, all telecommunications services (exclusive of high-speed data) available on land can be made available at sea through Globalstar.

⁴ Additional information on Globalstar services is available at the Globalstar website, www.globalstar.com.

Commercial MSS systems complement and expand maritime communications. In an emergency, MSS calls can be made from the vessel directly to the nearest distress and rescue agency. Moreover, a Globalstar telephone can be used for passenger correspondence, leaving open radios and frequencies dedicated to safety services. For non-emergency calls, the Globalstar system offers privacy that cannot be achieved on ship-to-shore communications systems. And, the cost per minute of Globalstar service is comparable to or less than Inmarsat maritime services. Globalstar and other commercial MSS systems are thus competing in the market for maritime phone services where Inmarsat has had a 20-year monopoly. In the future, Globalstar and other MSS systems may be authorized by the International Maritime Organization to participate in GMDSS on a competitive basis.

II. At This Time, the United States Should Oppose Changes to the International Mobile Satellite Organization.

When Inmarsat was privatized, the Inmarsat Assembly of Parties created IMSO as a residual intergovernment organization to ensure that the new Inmarsat would continue to provide maritime services for the GMDSS.⁵ Inmarsat and IMSO have a contractual relationship specifically for that purpose. The United States supported these changes and is a Party to IMSO.

Under the guise of GMDSS becoming available on a competitive basis by Inmarsat and other MSS providers, the Party of Denmark has proposed significant

⁵ COMSAT Corporation, 16 FCC Rcd at 21672.

and sweeping changes to IMSO, which are to be discussed at the IWG. First, the essential purpose of IMSO to ensure continued provision of GMDSS through Inmarsat would be abandoned. IMSO would no longer focus solely on Inmarsat. Rather, IMSO would become an intergovernmental regulatory body for all MSS systems that desired to provide Inmarsat-like services at sea, in the air, and on land.

Moreover, rather than merely supervising the provision of GMDSS, the new IMSO would contract with MSS systems for maritime services, aeronautical services and services to rural and remote areas of the globe. These new activities would be funded by new fees on MSS systems. The proposed modifications to the IMSO Convention would allow IMSO to assess the costs of maintaining IMSO's administration against the MSS parties with which it contracts. Thus, the costs of IMSO would no longer be the sole responsibility of Inmarsat.

These proposed expansions of the mandate of IMSO are neither needed nor justified on public interest grounds and are, on their face, contrary to long-standing U.S. Government policy. IMSO is proposing to transform itself from a supervisor of Inmarsat and its provision of GMDSS to an intergovernmental regulatory body for MSS systems providing maritime and/or aeronautical services. These functions are already fulfilled by existing international bodies, specifically the International Maritime Organization ("IMO") and the International Civil Aviation Organization ("ICAO"). With respect to services to rural and remote land areas, such services are within the exclusive regulatory jurisdiction of individual countries, and it is

questionable whether IMSO has any authority to act on behalf of individual countries in such a role. Therefore, all the responsibilities proposed for the new IMSO are covered by existing and well-established regulatory institutions. The proposed expansion of IMSO's mandate is unnecessary in every respect.

Furthermore, the proposal to have IMSO take on commercial transactions to contract with MSS systems to provide specified services is contrary to the public interest. IMSO was established to serve the important role of ensuring GMDSS is available and accessible to IMSO member nations. However, IMSO's current role is a legacy of the former role of Inmarsat in ensuring access to maritime safety communications. The process of privatizing Inmarsat was intended to promote free competition and decrease the Inmarsat maritime monopoly. In the 23 years since the creation of Inmarsat, multiple other global and regional satellite systems have been launched. These systems can today provide maritime services that are as reliable as, and in most cases less expensive than, Inmarsat services.

If anything, the Parties should be striving to eliminate IMSO altogether to establish a freely competitive environment for MSS, in which GMDSS may also be provided on a competitive basis. A competitive market for maritime services is the goal of the United States in recognizing the new Inmarsat,⁶ and, the United States

⁶ See *id.* at 21672 (discussing goals of ORBIT Act); Open-Market Reorganization for the Betterment of International Telecommunications Act, Pub. L. 106-180, 114 Stat. 48 (2000) (codified at 47 U.S.C. §§ 761 *et seq.*).

should not support any backward steps that also would increase the regulatory burdens on MSS carriers.

Specifically, the idea that commercial MSS systems would have to contract with IMSO and support its administration is seriously flawed. No intermediary is needed between commercial MSS systems and public administrations that are consumers of maritime, aeronautical and land mobile services. While Inmarsat is still the sole source for GMDSS, and the IMSO may serve a need in regulating the public service requirements of Inmarsat, its mandate certainly should not be expanded to regulate the commercial activities of all MSS systems. The IMSO should not be put in a position of potentially dictating to commercial MSS systems through a contracting process what services they can or cannot offer. Such an oversight function would not promote the development of a competitive market for MSS services, which was the goal of the privatization of Inmarsat.

III. Conclusion

Complete elimination of IMSO does not appear to be appropriate at this time, but giving IMSO more powers and authority beyond its legacy role is contrary to the competitive principles governing the privatization of Inmarsat. Therefore, for the reasons set forth above, GLP, GUSA and GCL recommend that the United States oppose the proposed changes to the mandate of IMSO.

Respectfully submitted,

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