



PUBLIC NOTICE

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INTERNATIONAL BUREAU EXPLAINS PROCEDURE FOR FILING BONDS PURSUANT TO NEW SATELLITE LICENSING PROCEDURE

Report No. SPB-187

On May 19, 2003, the Federal Communications Commission (Commission) released the *First Space Station Reform Order*,¹ substantially revising the procedures for reviewing satellite license applications. Under the new procedures, licensees are required to file a bond with the Commission as a condition of their license.² In this Public Notice, the International Bureau (Bureau) explains in detail the procedure for submitting bonds.

Geostationary satellite orbit (GSO)-like licensees must file a \$5 million bond, and non-geostationary satellite orbit (NGSO)-like licensees must file a \$7.5 million bond.³ We strongly encourage licensees to submit bonds to the Commission electronically via the International Bureau Filing System (IBFS), found at <<http://www.fcc.gov/ibfs>>. Licensees submitting bonds via IBFS will complete a transmittal screen that will require them to provide their name, FCC Registration Number, satellite application file number, and the call sign of their satellite system as well as a copy of the bond in PDF format. Pursuant to Section 1.51(c)(2) of the Commission's Rules, 47 C.F.R. § 1.51(c)(2), parties who choose to file by paper must send five copies of their bond to the Commission's Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission, The Portals, 445 Twelfth Street, S.W., Room TW-A325, Washington, D.C. 20554.

Electronically filed bonds are due no later than 12:00 Midnight, Eastern Time, at the end of the 30th day after the date the license is issued. Paper copies of bonds must be filed during normal business hours no later than the 30th day after the date the license is issued.

¹ Amendment of the Commission's Space Station Licensing Rules and Policies, *First Report and Order and Further Notice of Proposed Rulemaking*, IB Docket No. 02-34, 18 FCC Rcd 10760 (2003) (*First Space Station Reform Order and FNPRM*).

² *First Space Station Reform Order and FNPRM*, 18 FCC Rcd at 10825-27 (paras. 167-72).

³ The bond amounts may be subject to revision in a pending rulemaking proceeding. *First Space Station Reform Order and FNPRM*, 18 FCC Rcd at 10882 (paras 333-35).

The bonds must be payable to the U.S. Treasury in the event that a licensee misses a milestone. The *First Space Station Reform Order* adopted new milestone schedules for GSO and NGSO satellites.⁴ The new milestones are set forth in the table below for illustrative purposes:

	NGSO	GSO
Contract Execution	1	1
CDR	2	2
Commence Construction	2.5	3
Launch	3.5	
Bring Entire System Into Operation	6	
Launch and Operate		5

(Milestones are stated in number of years after authorization.)

At each of the milestones listed above, the *First Space Station Reform Order* requires licensees to submit information to the Commission showing that they have met the applicable milestone.⁵ Upon review of that information, the Bureau will either issue a public notice announcing that the licensee has met the milestone, or adopt an order revoking the license. In the event that the licensee meets its milestone, GSO-like licensees will be allowed to reduce the bond amount by \$1.25 million for each milestone the Commission determines it has met, which is 25 percent of the amount of the original bond, as set forth in the *First Space Station Reform Order*.⁶ NGSO-like licensees will be allowed to reduce the bond amount by \$1.5 million for each milestone the Commission determines it has met, which is 20 percent of the amount of the original bond.⁷ Licensees will be permitted to file a new bond at a lower amount, consistent with the *First Space Station Reform Order*,⁸ only after the Bureau announces that the licensee has met the milestone. In the event that a licensee demonstrates that an extension or waiver of a milestone is warranted, the bond will not become payable, but the licensee will not be allowed to lower its bond amount unless or until it meets that milestone, in the case of a milestone extension, or until it meets the next milestone in the case of a milestone waiver.

⁴ *First Space Station Reform Order and FNPRM*, 18 FCC Rcd at 10827-28 (para. 174), 10900-01 (App. B, new Section 25.164).

⁵ *First Space Station Reform Order and FNPRM*, 18 FCC Rcd at 10830-33 (paras. 181-93).

⁶ *First Space Station Reform Order and FNPRM*, 18 FCC Rcd at 10826-27 (para. 172).

⁷ *First Space Station Reform Order and FNPRM*, 18 FCC Rcd at 10826-27 (para. 172).

⁸ *First Space Station Reform Order and FNPRM*, 18 FCC Rcd at 10826-27 (para. 172).