



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

October 25, 2002

STATEMENT OF COMMISSIONER
MICHAEL J. COPPS

RE: Lockheed Martin Corp., COMSAT Corp., COMSAT Digital Teleport, Inc., Assignors and Intelsat, Ltd., Intelsat (Bermuda), Ltd., Intelsat LLC, and Intelsat USA License Corp., Assignees, Applications for Assignment of Earth Station and Wireless Licenses and Section 214 Authorizations and Petition for Declaratory Ruling (IB Doc. No. 02-87)

I am always troubled when the Federal Communications Commission allows foreign government controlled entities to obtain U.S. licenses. As I have stated before, I believe that foreign-government control represents a serious potential threat to U.S. consumers and to competition. There is a fundamental difference between companies that operate in a free market and state-run corporations that may act counter to free market forces. Here, foreign governments control – through government-owned monopoly corporations, holding companies, and other devices – approximately 30 percent of Intelsat. While the privatization of Intelsat has clearly made great progress, it is still substantially owned by foreign governments.

The Commission must only allow transactions that are in the public interest. For me, the benefits of a transaction with high foreign government ownership must be significant enough to overcome the potential harm to competition for the transaction to be in the public interest. The Bureau has not made that showing here.

Instead, the Bureau states that when analyzing the competitive impact of a proposed license transfer “the Commission has made no distinction between indirect government and private foreign ownership of U.S. common carrier licensees.”¹ If we do not understand the critical difference between the market distorting potential of government ownership and the market enhancing potential of private ownership, then we cannot do the job Congress gave us. This Commission should be promoting free trade and protecting U.S. consumers. It has not done so today.

¹ Order at ¶ 42.