



NEWS

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NEW SATELLITE LICENSING PROCESS FACILITATES FASTER DEPLOYMENT OF CONSUMER SERVICES

Washington, DC -- Today, the Commission adopted a new licensing process to speed delivery of satellite services to consumers. This reform will increase regulatory certainty, advance the digital migration, facilitate spectrum efficiency and continue U.S. leadership in the global satellite industry.

Since the Federal Communications Commission innovated the current commercial satellite licensing procedure two decades ago, satellite technology has changed dramatically, spectrum usage has intensified worldwide, and new international criteria require satellite systems to be built and launched faster. To address this new paradigm, in a February 2002 Notice of Proposed Rulemaking, the Commission proposed several reforms to its satellite licensing process. After developing a public record and conducting substantial outreach with the satellite industry, today the Commission adopted a flexible and agile framework and a market-based licensing scheme for the future. The goal of this framework is to create a regulatory environment in which satellite providers can respond quickly and efficiently to the challenges of a competitive telecommunications industry, and ultimately to provide new satellite services to consumers as expeditiously as possible. The central revision is to create a queue for satellite applications whereby each application will be considered under the Commission's public interest standard in the order in which it is filed.

The framework also includes:

- Different procedures for licensing nongeostationary-like satellite systems (NGSOs) and geostationary-like systems (GSOs), in recognition of the technical distinctions between these types of systems.
 - GSO-like satellites use directional beams to communicate with earth stations that focus a single beam in a particular direction. These systems can operate on the same frequency bands without interfering with each other at two-degree orbital spacings.
 - NGSO-like systems communicate with earth stations that cannot focus a narrow beam continuously in a particular direction and generally cannot use the same frequency bands without interfering with each other.
- Streamlined license processing round approach for NGSO-like systems.
 - This approach should facilitate market entry.
 - There will be an announced cut-off date for the public to file competing applications. Thereafter, the available spectrum will be split among all *qualified* applicants.

- “First-come, first-served” licensing for GSO-like satellites.
 - This approach should also facilitate market entry.
 - Applications for specific spectrum and orbit location will be considered in the order filed.
 - The first application will be granted if the applicant is *qualified* and the applicant’s proposal does not conflict with any previously granted licenses.

The Commission also adopted other revisions to its satellite licensing system to allow market mechanisms to play a greater role in determining spectrum use by satellite systems. Specifically, it:

- adopted safeguards to discourage speculation, including a requirement that licensees post a \$5 million to \$7.5 million bond within 30 days after receiving a license, payable upon revocation of the license for missing a milestone; a limit of five pending GSO applications and unbuilt GSO satellites and one pending NGSO application or unbuilt NGSO system in a particular frequency band; an attribution rule so that licensees cannot evade these limits; and additional implementation milestones and stronger enforcement of milestones;
- replaced the current financial qualification requirement with the bond requirement;
- streamlined the replacement satellite application procedure;
- eliminated the satellite anti-trafficking rule; and
- confirmed that the Commission retains the discretion in reviewing assignments and transfers of control to determine whether the initial license was obtained in good faith with the intent to construct a satellite system.

To implement the new framework, the Commission adopted mandatory electronic filing for satellite applications. It also revised the licensing process for non- U.S.-licensed satellites to make them consistent with the new procedures. Finally, to prevent a “land rush,” the Commission imposed a freeze on satellite applications (except for next-generation replacement satellites) effective immediately until publication in the Federal Register of a summary of the item.

These new procedures do not apply to the Direct Broadcast Satellite Service or the Digital Audio Radio Satellite Service.

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Action by the Commission April 23, 2003, by First Report and Order and Further Notice of Proposed Rulemaking (IB Docket No. 02-34) and First Report and Order (IB Docket No. 02-54) (FCC 03-102). Chairman Powell, Commissioners Abernathy, Martin, and Adelstein, with Commissioner Copps concurring in part. Separate statements issued by Chairman Powell, Commissioners Abernathy, Copps, Adelstein.

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IB Docket No. 02-34

IB Docket No. 02-54

