

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Lockheed Martin Corporation,	)	File No. SAT-T/C-20000323-00078
COMSAT Government Systems, LLC,	)	
And COMSAT Corporation	)	File No. SAT-STA-20000323-00073
	)	
Applications for Transfer of Control of	)	
COMSAT Corporation and Its Subsidiaries,	)	
Licensees of Various Satellite, Earth Station	)	
Private Land Mobile Radio and Experimental	)	
Licenses, and Holders of International Section	)	
214 Authorizations	)	

**ORDER AND AUTHORIZATION**

Adopted: July 27, 2000

Released: July 31, 2000

By the Commission: Commissioner Furchtgott-Roth concurring and issuing a statement

**I. INTRODUCTION**

1. In this Order, we grant Comsat Corp. (Comsat) authority to assign its space and earth stations licenses to Comsat Government Systems, LLC (CGS-LLC), a wholly owned subsidiary of Lockheed Martin Corporation. Granting these applications will permit completion of the planned merger of Lockheed Martin and Comsat. Lockheed Martin has a *de minimis* presence in the U.S. international communications market, while Comsat serves primarily the U.S. international communications market. The merger will permit the merged company to compete more effectively in the global satellite telecommunications market. The resulting competition will promote wider service offerings and lower prices for consumers in the United States and abroad.

**II. BACKGROUND**

**A. The Parties**

2. Lockheed Martin is a diversified enterprise principally engaged in the research, design, development, manufacture and integration of advanced-technology systems, products and services. Lockheed Martin is incorporated in Maryland, with its principal executive office in Bethesda, Maryland.<sup>1</sup> Lockheed Martin does not currently operate any commercial communications satellites.

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<sup>1</sup> *Applications of Lockheed Martin Corporation, Comsat Government Systems, LLC and Comsat Corporation for Transfer of Control of Comsat Corporation and Its Subsidiaries, Licensees of Various Satellite, Earth Station, Private Land Mobile Radio and Experimental Licenses, and Holders of Section 214 Authorizations, March 23, 2000 at 5 (“Joint Application”).*

It is, however, a provider of *de minimis* international telecommunications services through CGS-LLC, which it acquired from Comsat in 1999 as a result of the first phase of this merger.<sup>2</sup>

3. Lockheed Martin has a 31 percent interest in Astrolink International LLC (AIL). AIL holds an FCC license to launch and operate a geostationary satellite orbit (GSO) fixed satellite service (FSS) called Astrolink in the Ka frequency bands.<sup>3</sup> Additionally, Lockheed Martin has three applications pending before the Commission for communications satellite systems that, if authorized, would be operational in several years.<sup>4</sup>

4. Lockheed Martin is also a participant in three joint ventures for provision of telecommunications services overseas through satellites licensed by other countries. Lockheed Martin and the Intersputnik International Organization of Space Communities formed Lockheed Martin Intersputnik, Ltd. ("LMI"). This venture provides service via a single satellite, launched to 75° E.L. on September 27, 1999, in the C-band (and intends to operate in the Ku-band as well) to remote and underserved areas of Russia, Eastern Europe, Asia, and Africa.<sup>5</sup> LMI does not provide coverage of the United States or service to or from the United States.<sup>6</sup> Lockheed Martin and GE American Communications, Inc. formed a joint venture to provide satellite communications services to businesses and consumers in the Asia-Pacific region via a Ku-band satellite to be located at 108° E.L. The venture expects to launch the satellite in the third quarter of 2000 and does not plan to provide any services to or from the United States.<sup>7</sup> Lockheed Martin also holds a 32.55 percent equity interest in the Asian Cellular Satellite ("AceS") System.<sup>8</sup> This regional system will provide mobile-satellite services ("MSS") primarily via L-band transponders. AceS has launched one satellite that will provide coverage to Southeast Asia and nearby Pacific Island points. A second satellite is planned to provide MSS to western Asia, the Middle East,

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<sup>2</sup> In the Matter of *Lockheed Martin Corporation, Regulus LLC, and Comsat Corporation Application for Transfer of Control of Comsat Government Systems, Inc., Holder of an International Section 214 Authorization and Earth Station Licenses E960186 and E960186*; In the Matter of *Lockheed Martin Corporation/Regulus LLC Application for Authority to Purchase and Hold Shares of Stock in Comsat Corporation*, File No. SAT-ISP-19981016-00072, Memorandum, Order and Authorization (Rel. Sept. 15, 1999), sub nom. *PanAmSat Corporation v. FCC, et al.* Nos. 99-1384 and 99-1385, 2000 WL 621421 appeal dismissed with partial vacatur (D.C. Cir. April 20, 2000) (grant by court of joint request for dismissal on the basis that the ORBIT Act mooted underlying complaints) ("Phase 1 Order").

<sup>3</sup> Joint Application at 5-6. AIL is licensed to operate in the following frequency ranges: 19.7-20.2 GHz (space-to-earth)/28.35-28.6 GHz and 29.25-29.5 GHz (earth-to-space).

<sup>4</sup> Joint Application at 6.

<sup>5</sup> Joint Application at 6. LMI's filing with the ITU was filed by Belarus on behalf of Intersputnik for the following frequency ranges: C-band at 3400-4200 MHz (space-to-earth)/5725-7075 MHz (earth-to-space), and Ku-band at 13.75-14 GHz/ 12.5-12.75 GHz.

<sup>6</sup> Joint Application at 6.

<sup>7</sup> Joint Application at 7. The joint venture filed under the name Americom Asia Pacific LLC and was licensed by Gibraltar and filed with the ITU in the following frequency ranges: 10.7-12.75 GHz, 13.75-14.75 GHz, 17.3-18.1 GHz.

<sup>8</sup> Joint Application at 7.

Mediterranean Europe, the United Kingdom and northern Africa. Neither satellite is expected to provide any service to or from the United States.<sup>9</sup>

5. Finally, Lockheed Martin holds a passive 13.5 percent fully diluted interest in Loral Space and Communications Ltd. ("Loral"). Loral is a satellite communications company operating in four distinct segments: fixed satellite services, broadband data services, satellite manufacturing & technology, and global mobile telephone services. Loral Global Alliance consists of Loral Skynet, Loral CyberStar, Inc., (formerly Orion Network Systems), a 49 percent owned affiliate SatMex, and a 47 percent owned affiliate Europe\*Star Limited. Loral Global Alliance offers fixed satellite services through ten high-powered geosynchronous satellites.<sup>10</sup> A February 2000 agreement between Lockheed Martin and Loral would facilitate Lockheed Martin's ability to divest this interest. A shareholder's agreement between Lockheed Martin and Loral restricts Lockheed Martin's ability to exercise any influence or control over Loral.<sup>11</sup>

6. CGS-LLC is a single member Delaware limited liability company wholly-owned by Lockheed Martin with executive offices in Bethesda. CGS-LLC was formed to effectuate the first phase of the proposed merger between Lockheed Martin and Comsat. At the time it was created, CGS-LLC was named Regulus, LLC ("Regulus"). As a result of the Commission's approval of the first phase of the merger, CGS-LLC holds nearly 49 percent of Comsat's common stock. CGS-LLC provides international satellite resale services and related capabilities to U.S. government agencies.<sup>12</sup> It holds an authorization to provide international common carrier services, including a Section 214 authorization and two earth station licenses from the FCC.

7. Deneb Corporation is a Delaware corporation wholly-owned by Lockheed Martin and incorporated for the purpose of effecting the merger with Comsat. Deneb engages in no other business.<sup>13</sup>

8. Comsat is incorporated under the laws of the District of Columbia, with headquarters in Bethesda, Maryland. Comsat's incorporation was authorized by the Communications Satellite Act of 1962 (Satellite Act), which called for the formation of a private, for-profit U.S. communications satellite corporation (Comsat) that would participate in the planning, construction, ownership, management and operation of a global commercial telecommunications system.<sup>14</sup> The International Telecommunications Satellite Organization ("INTELSAT") was established on August 20, 1971.<sup>15</sup> INTELSAT is now a 143-member intergovernmental cooperative that

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<sup>9</sup> Joint Application at 7.

<sup>10</sup> Loral Space & Communications, Ltd., Annual Report for the Fiscal Year ended December 31, 1999, Form 10-K. <http://www.sec.gov/Archives/edgar/data/1006269/0000950123-00-003001-index.html>

<sup>11</sup> Joint Application at 8.

<sup>12</sup> Joint Application at 8.

<sup>13</sup> Joint Application at 8.

<sup>14</sup> See 47 U.S.C. §§ 731 and 701.

<sup>15</sup> In 1964, the U.S. and other nations formed the organization that became INTELSAT. See Agreement Establishing Interim Arrangements for a Global Commercial Communications Satellite System, dated Aug. 20, 1964. 15 U.S.T. 1705. In 1971, the Agreement Relating to the International Telecommunications Satellite Organization

operates 17 satellites providing telecommunications services to over 99 percent of the globe. Comsat serves as the U.S. Signatory to the INTELSAT with a total ownership of 20.4 percent as of March 1, 2000.<sup>16</sup> Until September 1999, Comsat was the only company permitted to access INTELSAT satellites and distribute its services in the United States. In 1999, we permitted users and service providers in the United States to obtain access to INTELSAT space segment capacity via contracts for services directly with INTELSAT.<sup>17</sup>

9. Comsat previously served as the U.S. Signatory to the International Mobile Satellite Organization ("Inmarsat"), INTELSAT's sister organization, prior to Inmarsat's privatization on April 15, 1999. Comsat now holds a 22.2 percent equity interest in the privatized company, a corporation incorporated and headquartered in the United Kingdom.<sup>18</sup>

10. In 1999, Comsat had total revenues of more than \$600 million and approximately 1,700 employees.<sup>19</sup> Comsat has four business segments: COMSAT World Systems (CWS), COMSAT Mobile Communications (CMC), COMSAT International (CI), and COMSAT Laboratories (CL). CWS provides satellite capacity for voice, data, Internet, video and audio communications services between the United States and other countries using the global satellite networks operated by INTELSAT and New Skies Satellites, N.V. (New Skies), a privatized spin-off of INTELSAT. CI operates an integrated group of telecommunications companies providing individualized digital network solutions and value-added services to business clients and carriers in selected emerging markets. CMC provides voice, data, fax, telex and information services for maritime, aeronautical and land mobile applications, primarily through Inmarsat. CL provides technical consulting services and develops advanced communications technologies and products for satellite access and networking applications.<sup>20</sup>

## B. The Proceeding

11. On October 16, 1998, Lockheed Martin, Regulus, and Comsat submitted applications for consent to transfer control of CGSI to Lockheed Martin and for consent to acquire Comsat stock as an "authorized carrier" under the Satellite Act.<sup>21</sup> These requests were based on an

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"INTELSAT," dated Aug. 20, 1971, was concluded forming the INTELSAT organization. 23 U.S.T. 3813 (the "INTELSAT Agreement"). The INTELSAT Agreement entered into force on February 12, 1973.

<sup>16</sup> Each Signatory contributes capital to INTELSAT and receives capital repayments and compensation for the use of capital in proportion to its investment share. The investment share of a Signatory is approximately equal to its usage of capacity on the system. Signatories also have certain opportunities to invest beyond their percentage of their usage of INTELSAT system capacity.

<sup>17</sup> *Direct Access to the INTELSAT System*, Report and Order, 14 FCC Rcd 15703 (1999).

<sup>18</sup> Joint Application at 9-10.

<sup>19</sup> <http://www.sec.gov/Archives/edgar/data/22698/0000928385-00-001038.txt>.

<sup>20</sup> Id. pp. 35-38.

<sup>21</sup> *Applications of Lockheed Martin Corporation, Regulus, LLC and Comsat Corporation for Consent to Transfer of Control of Comsat Government Systems, Inc. and of Regulus, LLC for Consent to Acquire Comsat Corporation Stock as an Authorized Carrier* (Oct. 16, 1998) ("Phase 1 Application").

agreement between Lockheed Martin and Comsat, concluded on September 18, 1998 (the "Merger Agreement").<sup>22</sup> Under the Satellite Act, no common carrier could own more than 50 percent of Comsat's stock.<sup>23</sup> Therefore the Merger Agreement detailed a two-step process for completing the merger. The October 1998 requests represented the first phase of the proposed transaction. In that phase, Regulus sought to acquire CGSI, a subsidiary of Comsat, in order for Lockheed Martin to become a common carrier. As a common carrier, Regulus then sought authorization from the Commission under the Satellite Act to purchase up to 49 percent of Comsat's stock.<sup>24</sup> On September 15, 1999, the Commission granted these requests.<sup>25</sup>

12. The Open-Market Reorganization for the Betterment of International Telecommunications Act (the ORBIT Act) was enacted on March 17, 2000. The ORBIT Act eliminated the ownership restrictions in the Satellite Act that prevented Lockheed Martin from acquiring control of Comsat.<sup>26</sup> Consequently, after passage of the ORBIT Act, the parties filed the present application.

13. With this application, the parties seek authority to complete the second phase of the proposed merger by transferring control of the remaining 51 percent of Comsat stock to Lockheed Martin through the process set forth in the Merger Agreement.<sup>27</sup> The completion of the merger will not affect the FCC licenses and authorizations held by Comsat subsidiaries as those licenses and authorizations will continue to be held by the same entities after the merger.<sup>28</sup> These licenses and authorizations include satellite service authorizations, earth station facilities licenses, temporary authority to operate two space stations, 214 authorizations and certain Private Land Mobile Radio and Experimental authorizations.<sup>29</sup>

14. The applicants state that combination of the strengths and capabilities of their companies would create a satellite services company that could compete more effectively in the

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<sup>22</sup> [Http://www.sec.gov/Archives/edgar/data/22698/0000950109-98-004611.txt](http://www.sec.gov/Archives/edgar/data/22698/0000950109-98-004611.txt) Exhibit 2: Agreement and Plan of Merger , dated as of September 18, 1998, Among Comsat Corporation, Lockheed Martin Corporation and Deneb Corporation)("Merger Agreement").

<sup>23</sup> 47 U.S.C. § 734.

<sup>24</sup> Phase 1 Application.

<sup>25</sup> Phase 1 Order.

<sup>26</sup> Pub. L. No. 106-180, 114 Stat. 48, §645 (2000).

<sup>27</sup> The Merger Agreement specifies two potential paths to effectuate the merger. The decision as to which path to pursue is to be made just prior to the closing of the merger. One path, a "reverse" merger, would merge a Lockheed Martin subsidiary with and into Comsat, with Comsat remaining as the surviving corporation. The other path, a "forward" merger, would merge Comsat with and into the Lockheed Martin subsidiary, with the subsidiary, then renamed Comsat Corporation, remaining as the surviving corporation. In either case, Lockheed Martin will be the ultimate owner of Comsat as it exists today, including all of its subsidiaries. Consequently, the ultimate choice of path does not affect the decisions made in this Order and Authorization. Letter from Raymond G. Bender, Jr., Counsel for Lockheed Martin Corporation and COMSAT Government Systems, LLC, to Magalie Roman Salas, Esq., Secretary, Federal Communications Commission (July 26, 2000).

<sup>28</sup> Joint Application at 10.

<sup>29</sup> Joint Application at 11.

international telecommunications marketplace.<sup>30</sup> They state that grant of their application will serve the public interest by enhancing competition in satellite services and advancing other important U.S. policy goals.<sup>31</sup> The applicants also state that the merger poses no risk of harm to competition.<sup>32</sup> The application was unopposed.

### III. DISCUSSION

#### A. Legal Standard

15. Under Section 310(d) of the Communications Act, we must find that the proposed assignment serves the public interest, convenience, and necessity before we can approve the assignment of authorizations or licenses.<sup>33</sup> To make this finding, we must weigh any potential public interest harms against any potential public interest benefits, considering competitive effects and other public interest factors such as rapid delivery of service to the public.<sup>34</sup> In conducting our analysis of potential public interest harms and public interest benefits, we first take note of the fact that no party has opposed this application. We then begin our analysis by identifying the relevant product markets that are affected by the proposed transaction and the competitive effects of the proposed transaction in these markets.

#### B. Effects on Competition and Public Interest Benefits

16. In evaluating the competitive effects of the proposed transaction, the Commission considers both the relevant product and geographic markets. For telecommunications service providers, the Commission has determined that the relevant product markets can include both service to U.S. domestic telecommunications markets and service between the U.S. and international telecommunications markets.<sup>35</sup> Comsat does not provide any domestic telecommunications services within the U.S.. Thus, Lockheed Martin's acquisition of Comsat

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<sup>30</sup> Joint Application at 12-13.

<sup>31</sup> Joint Application at 12-16.

<sup>32</sup> Joint Application at 16-34.

<sup>33</sup> 47 U.S.C. § 310(d).

<sup>34</sup> *GE American Communications, Inc., CCC Merger Sub, Inc., and Columbia Communications Corp. Application for Consent to Transfer of Space Stations Licenses of Columbia Communications; Application for Consent to Transfer of Earth Station License of Columbia Communications Corporation*, Order and Authorization, DA-00-1332 (Intl. Bur. rel. June 27, 2000). The Commission evaluates whether an applicant has met its burden of proof that the transfer will advance the public interest by considering four factors: 1) whether the transaction would result in a violation of the Communications Act or any other applicable statutory provision; 2) whether the transaction would result in a violation of Commission rules; 3) whether the transaction would substantially frustrate or impair the Commission's implementation or enforcement of the Communications Act, or would interfere with the objectives of the Communications Act or other statutes; and 4) whether the merger promises to yield affirmative public interest benefits. *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from MediaOne Group, Inc., Transferor, to AT&T Corp., Transferee*, Memorandum Opinion and Order, CC Docket No. 99-251 (paras. 8-9) (rel. June 6, 2000).

<sup>35</sup> *Application of WorldCom, Inc., and MCI Communications Corporation for Transfer of Control of MCI to WorldCom*, 13 FCC Rcd 18025, 18039, 18070 (1998).

would not increase concentration or market power in the provision of satellite services within the domestic U.S.

17. A number of companies provide domestic U.S. satellite service, international satellite service to and from the U.S., or both. In addition to Comsat, we note that there are two other major U.S. satellite providers of domestic U.S. or international or both telecommunications services. In December 1999, PanAmSat reported that it was operating a global satellite network consisting of 20 geostationary earth orbit communications satellites with global coverage, and that it expected to have 24 satellites by mid-2001.<sup>36</sup> GE Americom currently operates 14 satellites providing primarily domestic U.S. services, has authority to launch and operate a Ka-band global satellite system and has applications pending for authority for a V-band global satellite system.<sup>37</sup> In addition, for some services in some markets, satellite providers compete with terrestrial systems. As noted above, in 1999, we permitted users and service providers in the United States to obtain access to INTELSAT space segment capacity via contracts for services directly with INTELSAT.<sup>38</sup> In 2000, the ORBIT Act specifically provided for direct access.<sup>39</sup> The availability of direct access to the INTELSAT space segment may further limit Comsat's ability to exercise market power in thin route markets.<sup>40</sup>

18. For the international telecommunications markets, the Commission has evaluated the competitive effects on a country-by-country basis, for service between the U.S. and specific foreign countries, where service to each foreign country from the U.S. represents a separate geographic market.<sup>41</sup> In those analyses, we considered whether the proposed transaction will lessen or enhance competition in the provision of communications services in, to or from the United States. We need not analyze the impact of the merger on competition in the provision of satellite services to foreign countries that does not involve service to or from the United States.

19. After reviewing the Joint Application, we find that there does not appear to be any significant overlap in the provision of services in the same product and geographic markets in, to or from the United States by Lockheed Martin with Comsat. As noted above, Lockheed Martin

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<sup>36</sup> PanAmSat Corporation, Annual Report for the Fiscal Year ended December 31, 1999, <http://www.sec.gov/Archives/edgar/data/1037388/0000950130-00-001701.txt>

<sup>37</sup> *GE American Communications, Inc., CCC Merger Sub, Inc., and Columbia Communications Corp. Application for Consent to Transfer of Space Stations Licenses of Columbia Communications; Application for Consent to Transfer of Earth Station License of Columbia Communications Corporation*, Order and Authorization, DA-00-1332 (Intl. Bur. rel. June 27, 2000).

<sup>38</sup> *Direct Access to the INTELSAT System*, Report and Order, 14 FCC Rcd 15703 (1999).

<sup>39</sup> Pub. L. No. 106-180, 114 Stat. 48, §641 (2000).

<sup>40</sup> *See Policy and Rules for the Alternative Incentive-Based Regulation of Comsat*, 14 FCC Rcd 3065 (1999). As required by section 641(b) of the ORBIT Act, the Commission initiated a rulemaking proceeding to determine if users or providers of telecommunications services have sufficient opportunity to access INTELSAT space segment capacity directly to meet their service or capacity requirements. *Availability of INTELSAT Space Segment Capacity to Users and Service Providers Seeking to Access INTELSAT Directly*, Notice of Proposed Rulemaking, IB 0091, FCC 00-186 (rel. May 24, 2000).

<sup>41</sup> *Comsat Corporation Petition Pursuant to Section 10(c) of the Communications Act of 1934, as amended, for Forbearance from Dominant Carrier Regulation and for Reclassification as a Non-Dominant Carrier*, Order and Notice of Proposed Rulemaking, 13 FCC Rcd 14083, 14099 (para. 27) (1998).

acquired CGS-LLC from Comsat as part of the first phase of this merger. CGS-LLC provides U.S. international satellite resale services and related capabilities to U.S. government agencies. We find that this constitutes a *de minimis* presence in the U.S. international communications market and does not significantly increase the level of concentration in any relevant product or geographic market. Thus, we do not believe that the combination of Lockheed Martin and Comsat will increase significantly the level of concentration or decrease the level of competition in any relevant product or geographic market.<sup>42</sup> In addition, we have determined that the Lockheed Martin joint ventures with Intersputnik International Organization of Space Communities (“LMI”) and with GE American Communications do not provide or plan to provide services to or from the United States.<sup>43</sup> In addition, the Lockheed Martin investment in Asian Cellular Satellite is not expected to involve service in the United States and Lockheed Martin’s pending applications for satellite systems are not expected to become operational for several years.<sup>44</sup> Since these Lockheed Martin investments do not involve services in, to or from the United States, we conclude that competition for services in, to or from the United States in relevant product or geographic markets would not be lessened by the combination of these Lockheed Martin interests with Comsat’s business operations.

20. Lockheed Martin also holds a passive interest representing approximately a 13.5 percent fully diluted interest in Loral Space and Communications Ltd., subject to a shareholders’ agreement which restricts Lockheed Martin’s ability to exercise any influence or control over Loral. Given the small share size of this investment, Lockheed Martin would not have an incentive to alter Comsat’s business operations in an anticompetitive manner in order to provide Loral with the ability to increase profitably its prices in any market in which they might compete. In addition, given the restrictions in the shareholders’ agreement on Lockheed Martin’s ability to influence Loral operations, Lockheed Martin would not have the ability to alter Loral’s business operation to provide Comsat with the ability to increase profitably its prices. We have also noted the existence of the agreement to facilitate the divestiture of Lockheed Martin’s interest in Loral. Therefore, we find that the combination of Lockheed Martin’s limited interest in Loral with Comsat’s business operations would not adversely affect competition.

21. In evaluating the public interest benefits, we reviewed the Applicants’ claims of public interest benefits based on a combination of complementary strengths and capabilities. We note the applicants’ uncontested assertion that the combination of Lockheed Martin’s technological skills and resources with Comsat’s long-standing expertise in providing international satellite services will increase operational efficiencies necessary to compete in the international telecommunications marketplace. In addition, the applicants assert that combining the capabilities of Lockheed Martin’s research operations with Comsat Labs will facilitate the development of advanced communications technologies.<sup>45</sup> Given that we have found no evidence of potential harm to competition resulting from the proposed transaction, and in view of these stated benefits, we find that based on the claimed benefits, the proposed transaction would be in the public interest.

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<sup>42</sup> Since we find no significant overlap in the provision of services in, to or from the United States that would result from this proposed merger, we have determined that it is unnecessary to further describe a specific set of product and geographic markets that would be relevant to the analysis of competition today.

<sup>43</sup> Joint Application at 6-7.

<sup>44</sup> Joint Application at 5-7.

<sup>45</sup> Joint Application at 12-16.



#### IV. OTHER MATTERS

22. The only comment filed in response to the application is styled as a “Petition for Protective Orders” filed by Litigation Recovery Trust (LRT). LRT represents certain individuals and entities that have been pursuing claims against Comsat over several years in various fora, including the Commission.<sup>46</sup> LRT alleges in its petition that Comsat has committed various violations of the Satellite Act and requests, as a condition to granting the application before us, imposition of a number of protective orders. According to LRT, the protective orders are designed to require Comsat to operate under specific procedures and restrictions that purportedly would prevent the behavior alleged by LRT to be illegal. CGS-LLC and Comsat opposed LRT’s petition.<sup>47</sup>

23. We deny LRT’s petition. We find LRT’s petition procedurally defective. The pleading schedule established in the Public Notice required comments or petitions to deny to be filed on May 4, 2000, reply comments or opposition to petitions to deny to be filed on May 19, 2000 and responses on May 26.<sup>48</sup> LRT’s petition was not received by the Commission until May 30, 2000, well after the deadline for filing comments. Further, the petition can not be considered a reply or response rather than initial comments. Since there are no previously filed pleadings to which LRT petition responds, we characterize the petition as late-filed comments. Even if LRT’s petition could be considered a response comment, LRT failed to file it on a timely basis. The petition was not received by the Commission on May 26 when responses were due. Rather, it was mailed on that date, and not received by the Commission until May 30. Nor did LRT ever file a motion for acceptance of late-filed pleading or motion for extension of time to file.<sup>49</sup> LRT’s petition, therefore, is procedurally defective.

24. We address LRT’s petition nevertheless and deny it. Many of the allegations raised by LRT either have previously been addressed and rejected by this Commission or are unsubstantiated. In 1998, we denied, in a *Consolidated Order*, a variety of petitions and complaints filed against Comsat by LRT or the individuals or LRT entities that comprise LRT.<sup>50</sup> LRT repeats several allegations in this proceeding that were previously disposed of in our *Consolidated Order*.<sup>51</sup> LRT also makes new allegations in its petition that it fails to substantiate.<sup>52</sup>

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<sup>46</sup> According to the petition, LRT represents claims by William L. Whitley, Scott Robb, John T. Whitley and William H. Hallenbeck, and includes the Committee to Restructure the International Satellite Organizations (CRISCO) and Belcom Minority Shareholders and Claimants Committee (Belcom Committee). The core of petitioners’ dispute with Comsat is over its operation of Belcom Inc. in which petitioners are former shareholders. Comsat had successfully brought legal action against one of the shareholders in Delaware Chancery Court for breach of his fiduciary duty to Belcom. *Belcom, Inc. v. Scott Robb, Del. Civil. Action. No. 14663* (April 28, 1998). The Petitioners state that they are appealing that decision.

<sup>47</sup> Letter from Raymond G. Bender, Counsel for Comsat and Lockheed Martin, to Magalie Roman Salas, Secretary, FCC (June 27, 2000); Letter from Keith H. Fagan, Attorney for Comsat, to Magalie Roman Salas, Secretary, FCC (June 26, 2000).

<sup>48</sup> FCC Public Notice Request No. SAT-00040, April 4, 2000.

<sup>49</sup> See 47 CFR 1.46.

<sup>50</sup> *In re Comsat Corporation*, 13 FCC Rcd 2714 (1998)(*Consolidated Order*).

<sup>51</sup> Specifically, LRT repeats allegations that Comsat (1) violated Commission’s structure policy (1-SAT-ISP-96); failed to obtain Commission approval under Section 201(c) of the Satellite Act of its acquisition of Belcom stock

In either case, because we find that the issues raised are not appropriately within the scope of this transfer of control application, we will not address them here.

## V. CONCLUSION

25. In view of the forgoing, we find that granting the applications will serve the public interest, convenience, and necessity by increasing competition in the satellite services market to the benefit of U.S. consumers. For this reason and the reasons described in the Order and Authorization, we grant the application of Lockheed Martin, CGS-LLC, and Comsat for consent to transfer control of Comsat to Lockheed Martin.

## VI. ORDERING CLAUSES

26. Accordingly, IT IS ORDERED that File No. SAT-ISP-19981016-00072, Application Transfer of Control of Comsat Corporation and Its Subsidiaries, Licensees of Various Satellite, Earth Station, Private Land Mobile Radio and Experimental Licenses, and Holders of International Section 214 Authorizations IS GRANTED.

27. IT IS FURTHER ORDERED that the Petition for Protective Orders filed by Litigation Trust Recovery is DENIED.

28. This Order is effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Magalie Roman Salas  
Secretary

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and other subsidiaries (117 SAT DR-96 and 118-SAT-DR-96); (2) should be enjoined from payment of dividends on retained earnings (64-SAT-DR-97 and 65-SAT-DR-97); and (3) should be subject to an alternative dispute resolution process with small businesses (73-SAT-DR-99). Our 1998 *Consolidated Order* disposed of all of these issues. Petitioners also reference the 1995 petition that asks us to initiate a rulemaking proceeding to adopt rules concerning cable systems serving hotels and other public venues with adult programming. We have not initiated such a proceeding.

<sup>52</sup> LRT alleges without substantiation or any specificity that Comsat has engaged in improper *ex parte* contacts in unidentified proceedings.

**SEPARATE STATEMENT OF  
COMMISSIONER HAROLD FURCHTGOTT-ROTH**

*Re: Lockheed Martin Corporation, COMSAT Government Systems, LLC, and COMSAT Corporation, Applications for Transfer of Control of COMSAT Corporation and Its Subsidiaries, Licensees of Various Satellite, Earth Station Private Land Mobile Radio and Experimental Licenses, and Holders of International Section 214 Authorizations.*

I fully support today's decision to grant transfer of these licenses, and concur with the final judgement. Nonetheless, I cannot endorse the majority's decision to subject these applications to a "market analysis" presumably designed to assess the impact of these transfers on the satellite services market. As I have stressed elsewhere, I believe such concerns are outside the scope of our public interest review and duplicative of the work of other agencies.<sup>53</sup> So long as license transfers comport with our rules, I believe our approval should be swift and sure. Culling out certain transactions for special treatment undermines predictability, diminishes transparency, delays resolution, and ultimately harms the public interest. I once again urge my colleagues to support my efforts to curb these unnecessary intrusions into market analyses.

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<sup>53</sup> See Separate Statement of Commissioner Harold Furchtgott-Roth in *Re: Voicestream Wireless Corporation or Omnipoint Corporation, and Voicestream Wireless Holding Company, Cook Inlet/VS GSM II PCS, LLC or Cook Inlet/VS GSM II PCS, LLC, and various subsidiaries and affiliates of Omnipoint Corporation, and Cook Inlet/VS GSM II PCS, LLC or Cook Inlet/VS GSM III PCS, LLC Application for Consent to Transfer of Control and Assignment of Licenses and Authorizations* 15 FCC Rcd. 334. See also, Statement of Commissioner Harold Furchtgott-Roth in *Re: GTE Corporation and Bell Atlantic Corporation, Applications for Transfer of Control of Domestic and International Section 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, Memorandum Opinion and Order* (rel. June 16, 2000).