

**SEPARATE STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Approving in Part, Concurring in Part

RE: Amendment of the Commission's Space Station Licensing Rules and Policies; Mitigation of Orbital Rules and Policies.

First of all, my thanks to the Bureau for tackling these complex issues and for bringing a very formidable item to us today. I am pleased that we are moving toward a more timely process for satellite licensing and there is much in the item to recommend it and to merit the Commission's approval.

I write separately because I am concerned about trafficking and arbitrage in FCC licenses. Congress has given the Commission the responsibility to administer and protect the public spectrum. This includes defending our rules against abuse by those who wish to profit by "flipping" licenses rather than offering satellite services to Americans.

Today the Commission eliminates the Anti-Trafficking Rule. Many satellite companies believe that this will lead to increased speculation. At the same time the Commission creates a first-come-first-serve system that, for all its merits, many in the satellite industry believe will lead to a gold rush for licenses.

The combination of these two major changes makes me uneasy. The Order does, I realize, provide actions designed to reduce the opportunities for such speculation. It creates benchmarks that all licensees must meet to keep their licenses. It creates a multi-million dollar bond that will be forfeited if a company fails to meet its benchmarks. It states that the Commission will conduct a public interest review of all satellite license transfers, and that it will not approve a transfer if the licensee is engaged only in speculation and intends never to build a satellite system. And all licensees must incur substantial costs in licensing and ITU fees that will hopefully make speculating in satellite licenses less likely.

I hope these defenses hold. But we are radically changing the satellite licensing system, and we simply do not know how these changes will change the nature of satellite applications or how they might induce speculation. The decision to pull away the safety net of the Anti-Trafficking Rule therefore leads me to concur, as I would have maintained some, even if not all, of its protections.

