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September 9, 1994

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**HAND-DELIVERED**

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

Re: COMSAT's Petition for Partial Relief from  
Certain Tariff Requirements; RM No. 7913

Dear Mr. Secretary:

Transmitted herewith for filing on behalf of Orion Network Systems, Inc. ("Orion") are an original and four copies of Orion's Reply Comments in the above-referenced proceeding.

Any questions concerning this matter should be directed to the undersigned.

Respectfully submitted,



Thomas J. Keller

cc: See Certificate of Service

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

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
 )  
Petition for Partial Relief From )  
the Current Regulatory Treatment )  
of COMSAT World Systems' )  
Switched Voice, Private Line, and )  
Video and Audio Services )

RM No. 7913

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To: The Commission

REPLY COMMENTS OF ORION NETWORK SYSTEMS, INC.

Orion Network Systems, Inc. ("Orion"), by its undersigned counsel and pursuant to Section 1.45 of the rules of the Federal Communications Commission ("the Commission"), hereby submits its Reply Comments on COMSAT World Systems' Petition for Partial Relief (the "Petition") regarding streamlined regulatory treatment of its switched voice, private line, and video and audio services.<sup>1/</sup>

In its Comments filed in this proceeding on August 25, 1995, Orion urged that COMSAT's Petition be denied by the Commission because of COMSAT's continued dominant position in the trans-oceanic communications market and its participation in the INTELSAT system. Based on analysis of the five criteria used by the Commission in assessing competition in the domestic interexchange market, Interexchange Competition Order, 6 FCC Rcd

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<sup>1/</sup> These Reply Comments are timely filed pursuant to the Commission's Public Notice, DA 94-820, released July 26, 1994.

5880 (1991), Orion demonstrated that the market for trans-oceanic video and audio services provided by satellite was not sufficiently competitive so as to justify the relief requested by COMSAT.<sup>2/</sup>

In addition to Orion, eight other parties filed comments in this proceeding: PanAmSat; IDB Communications Group, Inc.; Reuters Television, Ltd. ("Reuters"); Keystone Communications ("Keystone"); Capital City/ABC, Inc. ("ABC"); CBS, Inc. ("CBS"); National Broadcasting Company, Inc. ("NBC"); and Turner Broadcasting System, Inc. ("TBS").<sup>3/</sup> Except for two, all parties opposed COMSAT's request for a reduction in the regulatory safeguards applicable to COMSAT's provision of international satellite service via the INTELSAT system. The two exceptions were Keystone and Reuters, but even these two acknowledged that they did not believe that "the proliferation of international fiber optic cable systems" provides "an effective alternative to satellite capacity for the provision of point-to-multipoint distribution of television programming...."<sup>4/</sup> Thus, all commenters are in agreement, including those who supported COMSAT's proposal, that effective competition does not exist in the relevant market.

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<sup>2/</sup> Orion Comments at 2-5.

<sup>3/</sup> The four television networks (ABC, CBS, NBC and TBS) filed joint comments.

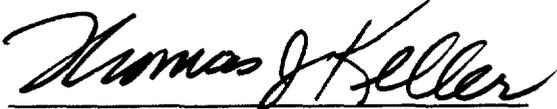
<sup>4/</sup> Reuters Comments at 2; Keystone Comments at 2.

In light of the Comments filed by all parties, Orion hereby reiterates the position set forth in its Comments that COMSAT maintains a dominant position in the international satellite video and audio service market segment. Under the circumstances, the Commission should deny COMSAT's Petition and should continue to subject COMSAT's tariff offerings to full regulatory scrutiny.

Respectfully submitted,

ORION NETWORK SYSTEMS, INC.

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September 9, 1994

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I, Deirdre A. Johnson, hereby certify that on this 9th day of September, 1994, copies of the foregoing "Reply Comments of Orion Network Systems, Inc." were served by first-class mail, postage prepaid to the following parties:

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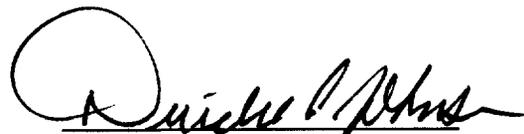
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