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

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of Amendment to the Commission's Regulatory Policies Governing Domestic Fixed-Satellites and Separate International Satellite Systems	IB Docket No. 95-41

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COMMENTS OF AT&T CORP.

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SUMMARY

The Commission should adopt its proposal to create a new unified regulatory scheme for U.S.-licensed geostationary fixed-satellites, thereby permitting all such satellite licensees to provide domestic and international services on a co-primary basis within the footprint of their satellites. Eliminating the artificial regulatory barriers that are associated with the current "domestic satellite" and "separate international satellite systems" classifications will permit fixed-satellite service providers "to use their satellites more efficiently and to provide innovative and customer-tailored services." It will also benefit customers by fostering competition, increasing customer choice, and enabling "one-stop shopping."

The Commission should also act to allow U.S. space station licensees to provide service via their satellites on either a common carrier or non-common carrier basis. This will best meet customer demand, because it will permit providers to offer services that are individually tailored for particular customer needs without the uncertainty, costs, and delays associated with the regulatory process.

Finally, COMSAT should not be permitted to provide primary domestic service in the United States using INTELSAT or INMARSAT capacity, until substantial structural reform of these organizations takes place. Absent such reform,

allowing entry of these special status entities into the domestic market would be detrimental to competition. In addition, to promote global competition and prevent anti-competitive conduct against U.S. satellite providers and customers, non-U.S.-licensed satellites should be permitted to serve the U.S. market only upon a showing that U.S. satellite providers are afforded effective opportunities to compete in the prospective entrant's home markets, that the satellite is not government-subsidized, and that it complies with U.S. technical standards of satellite operation.

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COMMENTS OF AT&T CORP.

Pursuant to the Commission's Notice of Proposed Rulemaking ("Notice"), FCC 95-146, released April 25, 1995, and Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, AT&T Corp. ("AT&T") submits these comments on the proposed amendments to the Commission's policies governing domestic fixed-satellites and separate international satellite systems.

INTRODUCTION

In the Notice, the Commission proposes to amend its rules so as to treat all U.S.-licensed geostationary fixed-satellites under a single regulatory scheme and thereby permit all such satellites to provide domestic and international services on a co-primary basis. Notice, ¶ 1. If adopted, this proposal would allow domestic satellites,

such as AT&T's TELSTAR satellites, to provide international services without the need to obtain Transborder Authorization, which generally requires that the international service be "incidental" to the domestic services already provided. Id. at ¶¶ 4-9. At the same time, U.S.-licensed separate international satellite systems, such as Columbia, Orion, and PanAmSat, would be permitted to provide U.S. domestic services without a showing that such services are "ancillary," i.e., reasonably related to the use of their facilities for international communications, as is currently required. Id. at ¶¶ 10-12.

Under the Commission's proposal, all U.S.-licensed satellites providing international services would be required to obtain the approval of the relevant foreign country and would have to be coordinated through the International Telecommunication Union ("ITU") with other administrations whose satellite systems may be affected. Id. at ¶ 18. In addition, consultation with INTELSAT under Article XIV(d) of the INTELSAT Agreement would continue to be required, to ensure technical compatibility with and prevent significant economic harm to the INTELSAT global system. Id. at ¶ 23. All U.S.-licensed geostationary fixed-satellites would operate under a modified version of the Separate Systems Policy, which would allow them to

provide a broad range of international[1] as well as domestic services.[2]

For the reasons discussed in Part I, AT&T supports this proposal, as well as the associated changes proposed for financial qualifications and earth station licensing regimes, because they will provide customers with increased choice and allow service providers greater flexibility in meeting customer needs. Revision of these regulatory policies should not delay disposition of the current satellite application processing round, which closed on February 15, 1995.[3] Reopening the round would serve only to

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[1] Specifically, the modified Separate Systems Policy would allow U.S. licensees to provide: "(1) all services not interconnected with the PSN (including private-line services and video and audio transmission services); (2) up to [8,000] 64-kbps equivalent circuits interconnected with the PSN per satellite; (3) emergency restoration services; and (4) private line services interconnected with the PSN, which permit private line customers to use a single system of customer premises equipment (both telephone and computer) to access a mix of switched and non-switched telecommunications services." Notice, ¶ 18. To ensure that the equivalency requirement adopted in Regulation of International Accounting Rates, 7 FCC Rcd. 559 (1991) ("International Resale Order"), is not circumvented by satellite providers, the modified Separate Systems Policy should make clear that international private line services interconnected with the U.S. PSN must comply with that Order.

[2] Notice, ¶ 20 (allowing separate systems to offer U.S. domestic services without the limitation that they be "ancillary" to international services).

[3] See Public Notice, Report No. DS-1487, released December 9, 1994. All potential participants were

(footnote continued on following page)

delay the grant of the pending applications, to the detriment of customers who need both follow-on and additional capacity to serve their communications needs.

Part II demonstrates that the Commission should also adopt its proposal to allow all U.S. space station licensees to elect to provide service via their satellites on either a common carrier or non-common carrier basis. Most satellite services provided over U.S.-licensed satellites are already offered on a non-common carrier basis, and even those offered under tariff are designed and tailored to meet particular customer's needs. Because these services qualify as being non-common carrier in nature, there is no longer a need to require that they be offered on a common carrier, tariffed basis, given the attendant administrative burdens and costs which customers must ultimately bear.

Finally, Part III demonstrates that, except for the limited incidental services already provided, COMSAT should not be permitted to provide U.S. domestic services using INTELSAT or INMARSAT capacity, given the present special status of these organizations. In addition, to

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invited to submit satellite applications in that round, and Orion was the only separate system operator to do so. Had any other separate system applicant wanted to file for a new satellite, it had the opportunity at that time.

promote effective global competition and prevent potential anti-competitive conduct against U.S. satellite providers and customers, non-U.S.-licensed satellites should be permitted to serve the U.S. market only upon a showing that U.S. satellite providers are afforded effective opportunities to compete in the prospective entrant's home markets, that the satellite is not government-subsidized, and that it complies with U.S. technical standards of satellite operation.

I. THE COMMISSION SHOULD ELIMINATE THE DISTINCTION BETWEEN U.S.-LICENSED DOMESTIC FIXED-SATELLITES AND U.S.-LICENSED SEPARATE INTERNATIONAL SATELLITE SYSTEMS.

AT&T supports the Commission's proposal to eliminate the current regulatory distinctions between U.S.-licensed domestic and U.S.-licensed separate international systems, and to authorize all such geostationary fixed-satellites to provide domestic and international services on a co-primary basis within the footprint of their satellites. Eliminating these artificial regulatory barriers to operators whose systems could otherwise provide services outside of the currently-defined limits will serve the public interest.

As the Commission has recognized, there is a rapidly growing "trend towards a globalized economy.

Corporations are becoming increasingly multinational in character, including most of the major U.S. corporations."[4] Indeed, "[o]ver 40 percent of the world's multinational corporations are headquartered in the United States."[5] These multinational corporations, which are the primary consumers of satellite services, want the convenience of "one-stop shopping" to meet their domestic and international communications needs. Moreover, they demand and expect consistent quality and functionality from all of their communications services.[6]

Permitting all U.S.-licensed, fixed-satellite operators to provide both domestic and international services on a co-primary basis will enable them to best meet customer needs. As the Notice correctly observes, allowing all U.S.-licensed operators "to provide the widest range of service offerings technically feasible and consulted by INTELSAT will permit them to use their satellites more efficiently and to provide innovative and customer-tailored services. This should, in turn, benefit consumers by

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[4] Notice, ¶ 16.

[5] Market Entry and Regulation of Foreign-affiliated Entities, IB Docket No. 95-22, RM-8355, RM-8392, Notice of Proposed Rulemaking, FCC 95-53, released February 17, 1995, ¶ 20 ("Foreign Entry NPRM").

[6] Notice, ¶ 16; Foreign Entry NPRM, ¶ 20.

increasing service options, lowering prices, and facilitating the creation of a global information infrastructure."[7] It will also fundamentally streamline the regulatory process by avoiding the need for U.S.-licensed operators to obtain transborder authorizations or separate system "ancillary" approval to fulfill customer service requirements. In short, removal of the existing regulatory impediments will provide greater flexibility to U.S.-licensed operators in satisfying customer needs and will increase competition by permitting U.S.-licensed satellite systems to compete more fully with one another.[8]

As an adjunct to eliminating the distinction between domestic fixed-satellites and separate international systems, the Commission also proposes to modify the applicable financial qualification standards. Specifically,

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[7] Notice, ¶ 21.

[8] Of course, as the Commission recognizes, eliminating artificial regulatory constraints is not likely to result immediately in full competition between domestic and separate international systems. Notice, ¶ 22. This is because domestic fixed-satellites occupy orbital positions best-suited for domestic service, and separate system satellites are located at positions most suitable for international services. Id. With the new policy in place, however, future satellites can be designed to optimize their ability to provide both domestic and international services, in response to customer needs and changing market conditions. In addition, the new policy could stimulate new business relationships among carriers to more efficiently meet customers' demands.

the Commission proposes to require all applicants operating under the new regulatory scheme to make a showing of full financing for their proposed systems before license award, the same standard which domestic satellite applicants must currently meet.[9] According to the Notice (¶ 26), the current domestic "standard was designed to ensure that an underfinanced applicant would not delay service to the public by precluding a fully capitalized applicant from proceeding with its plans." Because this requirement furthers the Commission's policy against warehousing of scarce orbital spectrum, it should be continued and applied uniformly to all competitors.

As the Commission correctly observes, given that "all U.S.-licensed satellites will be permitted to provide domestic and international service on a co-primary basis, all applicants should be able to obtain financial commitments based on the justified expectation of revenues from the provision of domestic service."[10] In these circumstances, the current two-step process, under which separate international systems are first issued a conditional construction permit to assist them in

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[9] Notice, ¶¶ 26, 29. See also Licensing Space Stations in the Domestic Fixed-Satellite Service, 50 Fed. Reg. 36071 (1985); 47 C.F.R. § 25.140(d).

[10] Notice, ¶ 29.

Article XIV(d) consultation with INTELSAT and obtaining foreign approvals for the proposed system, becomes unnecessary. Indeed, maintaining disparate financial standards when all applicants are competing for authority to provide both domestic and international services could give one set of applicants an unwarranted advantage in the consultation/foreign approval process.

The Commission also proposes to modify its earth station licensing policy to allow all U.S.-licensed earth stations to communicate with all U.S.-licensed fixed-satellites operating under the new unified regulatory scheme to provide service between the U.S. and all countries consulted under INTELSAT Article XIV(d).[11] This would avoid the need for earth station license modification requests that are required by the current policy, under which international earth stations are licensed to communicate only with specific U.S.-licensed and non-U.S.-licensed satellites.[12] This streamlined regulatory process would not only reduce burdens on already-strained Commission

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[11] Notice, ¶¶ 34-36.

[12] Notice, ¶ 35.

resources, but it would also allow more rapid delivery of service to customers.[13]

II. THE COMMISSION SHOULD ALLOW U.S.-LICENSED FIXED-SATELLITE OPERATORS TO ELECT WHETHER TO PROVIDE SERVICE ON A COMMON CARRIER OR NON-COMMON CARRIER BASIS.

The Notice also proposes to allow any U.S.-licensed space station licensee wishing to tailor its offerings to the individual requirements of its customers to provide its offerings on a non-common carrier basis, without any requirement "to provide any amount of its spacecraft's capacity on a common carrier basis."[14] AT&T supports the Commission's proposal to allow all such satellite services to be offered on a non-common carrier basis, at the provider's option.

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[13] Notice, ¶ 36. Consistent with these initiatives to eliminate unnecessary regulation, the Commission should also simultaneously eliminate the licensing requirement for all international receive-only earth stations in the fixed-satellite service that operate with the new single category of U.S.-licensed fixed-satellites. The public benefits of this proposal (increased service options, reduced customer cost, promotion of rapid service introduction, and freeing Commission resources) are confirmed by the record in a related (but yet unresolved) proceeding, in which the Commission proposes broader deregulation of international receive-only earth stations. See Amendment of Section 25.131 of the Commission's Rules and Regulations to Eliminate the Licensing Requirement for Certain International Receive-Only Earth Stations, 8 FCC Rcd. 1720 (1993).

[14] Notice, ¶ 31.

As the Notice recognizes, given the number of domestic satellites now in service and those approved (along with the additional satellites that would be made available if the current separate systems were permitted to provide domestic service), there should be "sufficient competitive satellite capacity . . . available to assure the U.S. public ample access to fixed-satellite services."[15] Therefore, the Commission has properly concluded that there is no legal compulsion to serve the public indifferently, and thus the first prong of the analysis in NARUC I, as to whether a service may be provided on a non-common carrier basis, is satisfied.[16]

Indeed, most domestic fixed-satellite capacity is already offered on a non-common carrier basis. And even those services offered under tariff, such as various AT&T SKYNET® Satellite Services, are customized to meet the needs of particular users, all of whom are sophisticated business customers with ample ability to negotiate reasonable terms as to price and conditions of service.[17] Thus, there are no

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[15] Notice, ¶ 31.

[16] Notice, ¶ 30, citing Nat'l Ass'n of Regulatory Utility Commissioners v. FCC, 525 F.2d 630 (D.C. Cir.), cert. denied, 425 U.S. 992 (1976) ("NARUC I").

[17] See Competition in the Interstate Interexchange Marketplace, 6 FCC Rcd. 5880, 5887-88 (1991).

"reasons implicit in the nature of the service to expect an indifferent holding out to the eligible user public," thereby satisfying the second prong of the NARUC I test.[18]

Customers will benefit if all fixed-satellite services can be offered on a non-common carrier basis, because it will avoid the delays and regulatory uncertainties that they would otherwise face pending tariff effectiveness. As the Commission has recognized:

> "the ability to offer non-common carrier . . . satellite capacity has afforded users of domestic-fixed satellite capacity the opportunity to negotiate extensively with many suppliers of satellite capacity and to obtain the desired mix of terms and conditions tailored most appropriately and uniquely to serve that particular user's needs."[19]

For these reasons, all U.S.-licensed fixed-satellite licensees should be permitted to offer their services on a non-common carrier basis regardless of the amount of capacity provided to a customer or the period of time embodied in the offering.

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[18] Notice, ¶ 30.

[19] Comsat General Corporation, 8 FCC Rcd. 5621 (1993).

III. COMSAT SHOULD NOT BE PERMITTED TO PROVIDE U.S. DOMESTIC SERVICE USING INTELSAT OR INMARSAT CAPACITY, UNTIL THESE ORGANIZATIONS HAVE BEEN SUBSTANTIALLY RESTRUCTURED; AND NON-U.S. SATELLITES SHOULD BE PERMITTED TO SERVE THE U.S. MARKET ONLY UPON A SHOWING THAT U.S. SATELLITES ARE GIVEN AN EFFECTIVE OPPORTUNITY TO COMPETE IN THAT PROVIDER'S HOME MARKETS.

The Notice (¶ 39) also seeks comment on whether COMSAT (a U.S. licensee) should be permitted to provide domestic service using INTELSAT capacity and whether INMARSAT should be permitted to serve the U.S. market. AT&T opposes allowing these entities to participate in the U.S. market to any greater extent than they already do, until substantial structural reform of these organizations takes place.

At present, both INTELSAT and INMARSAT are treaty organizations that enjoy a broad range of governmental privileges and immunities (such as freedom from taxation, legal process, and the antitrust laws). In addition, both INTELSAT and INMARSAT perform "consultation/notification" functions, through which they can deny permission for other satellite operators to compete with them in their primary international operations. Moreover, COMSAT is the only channel through which U.S. carriers can obtain access to INTELSAT and INMARSAT space segments, thus further reinforcing the substantial monopolies enjoyed by these entities in international satellite communications.

The Commission itself has recognized the impediment posed by these organizations to a worldwide competitive satellite market, and it has therefore recommended: "(1) privatizing INTELSAT and INMARSAT and eliminating the privileges, immunities and special access to spectrum and orbital slots currently enjoyed by those organizations; and (2) eliminating COMSAT's current exclusive status as the sole U.S. investor in, and provider of, INTELSAT and INMARSAT services. . . ."[20] Unless and until these reforms are accomplished, neither COMSAT/INTELSAT nor INMARSAT should be permitted to enter the U.S. domestic market on a primary basis, because their participation in that market would be detrimental to fair competition.

The Commission also seeks comment "on whether, and under what conditions, non-U.S. satellites should be permitted to serve the U.S. domestic market."[21] AT&T believes that, absent emergency circumstances (e.g., a U.S.

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[20] See M. B. Richards, Report of Special Counsel to the Commission on Reinventing Government, Creating a Federal Communications Commission for the Information Age, February 1, 1995, Summary of Bureau and Office Recommendations for 1995 Legislative Proposals, Appendix A, p. 2, Item 10. See also "U.S. Satellite Industry Joins Forces on INTELSAT/INMARSAT Privatization," Communications Daily, April 28, 1995, pp. 1-2.

[21] Notice, ¶ 39.

satellite failure), non-U.S. satellites should only be permitted to serve the U.S. market (domestic or international) on a primary basis to the extent that U.S. satellite providers are afforded effective opportunities to compete in the home markets of the prospective entrants.[22]

As the Commission has tentatively concluded in another pending proceeding, "unrestricted foreign carrier . . . entry is not in the public interest when U.S. carriers do not have effective opportunities to compete in the provision of services and facilities in the foreign carrier's primary markets."[23] This is because:

> "entry by foreign carriers from closed markets into the open U.S. market has the potential to inhibit competition, particularly with respect to the provision of global communications services to high-end users such as multinational companies. For instance, a foreign carrier would be able to acquire 1+ access to U.S. consumers and hold itself out as a ubiquitous provider of U.S. international services while U.S. carriers could not make the same representations in the foreign carrier's home market. In addition, such a carrier would be able to offer its customers benefits such as lower costs and faster provisioning of services provided between its closed markets and the United States.
>
> Such conduct by foreign carriers may have anticompetitive effects for several reasons.

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[22] This would not preclude COMSAT/INTELSAT, INMARSAT and any other non-U.S. multinational treaty-based organizations in competition with them (e.g., Intersputnik) from continuing to provide capacity to U.S. carriers for U.S. international services.

[23] Foreign Entry NPRM, ¶ 1.

> First, it preserves and maintains a monopoly in the foreign carrier's home market. Second, it allows the foreign entity to use that monopoly to gain a competitive advantage in other markets that are, or could be, competitive, including communications between its foreign home market and the United States, communications in the United States, and global network services. The foreign competitor has a competitive advantage, and will therefore win customers, not because of its superior business acumen, responsiveness to customers, or technological innovation, but because of its protected status in its home market. The possession of such unmeritorious advantages is a disservice to consumers in all these markets because, in the absence of full competition on the merits by all competitors, consumers do not receive reduced rates, increased quality, and innovation."[24]

For these reasons, the Commission has proposed in the Foreign Entry NPRM an "effective market access test" to be used by the Commission when it reviews applications under Sections 214 and 310 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 214 and 310.[25] Although the Foreign

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[24] Foreign Entry NPRM, ¶¶ 28-29 (emphasis added).

[25] In the Foreign Entry NPRM (¶ 40), the Commission proposes to "define effective market access as the ability for U.S. carriers . . . to provide basic, international telecommunications . . . services in the primary markets served by the foreign carrier seeking entry. A primary market is one where a carrier has a significant facilities-based presence." The Commission proposes considering the following factors to determine whether effective market access exists:

> "(1) whether U.S. carriers can offer in the foreign country international facilities-based services substantially similar to those the foreign carrier seeks to offer in the United States; (2) whether competitive safeguards exist in the foreign country to

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Entry NPRM focuses on foreign carriers seeking to enter the U.S. international services market, AT&T believes that, for non-U.S. satellite entry, the Commission should apply the test whether the non-U.S. satellite seeks to serve the U.S. domestic and/or U.S. international market and irrespective of whether it proposes to offer its services on a common carrier or non-common carrier basis.[26] This is appropriate

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> protect against anticompetitive and discriminatory practices, including cost allocation rules to prevent cross-subsidization; (3) the availability of published nondiscriminatory charges, terms and conditions for interconnection to foreign domestic carriers' facilities for termination and origination of international services; (4) timely and nondiscriminatory disclosure of technical information needed to use or interconnect with carriers' facilities; (5) the protection of carrier and customer proprietary information; and (6) whether an independent regulatory body with fair and transparent procedures is established to enforce competitive safeguards." Id.

Even if this test is met, the Commission will also consider as part of its public interest analysis in deciding to allow U.S. entry the "state of liberalization in the foreign carrier's domestic market and the availability of other market access opportunities to U.S. carriers." Id. at ¶ 45 (emphasis added).

[26] Because of possible limitations on the Commission's powers under Sections 214 and 310 of Communications Act when dealing with noncommon carrier, nonbroadcast services, the Commission should additionally invoke its broader powers under Sections 1, 4(i), 4(j), 301 and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 301 and 303(r).

because, in general, non-U.S. satellites do not serve the U.S. market today; rather -- other than for emergency or incidental services -- each nation's satellite system serves its own needs. Given the limited number of orbital slots available, the huge investment needed to construct and operate a satellite system, and the long lead times necessary to optimize a satellite's performance for a particular geographic region, it would be inequitable to afford non-U.S. satellites entry to the U.S. market without first assuring that U.S. satellite providers will enjoy a comparable opportunity to compete in the relevant foreign market. Application of the effective market access test to non-U.S. satellites seeking to serve the U.S. market will ensure that U.S. customers obtain the benefits of high quality, innovative service at cost-based prices, based on fair competition on the merits.[27]

In addition, the Commission should take into account that many non-U.S. satellites are part of

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[27] AT&T has provided extensive analyses supporting the Commission's tentative conclusions in the Foreign Entry NPRM. AT&T thus incorporates by reference herein its Comments, filed April 11, 1995 ("AT&T Comments"), and Reply Comments, filed May 12, 1995, in response to the Foreign Entry NPRM, as well as its Petition for Rulemaking on the issue of foreign entry into U.S. markets, filed September 22, 1993, RM-8355. AT&T has urged the Commission to apply its effective market access test also to foreign carriers' resale entry in the U.S. market. See AT&T Comments, pp. 22-25.

government-subsidized telecommunications monopolies. Permitting a subsidized satellite to serve the competitive U.S. market would grant the foreign entrant an unfair competitive advantage over privately-financed U.S. satellite systems. For this reason, authority to enter the U.S. market should be denied to foreign applicants which enjoy foreign government subsidies.

Finally, any non-U.S. satellite should be required to comply with all technical U.S. standards of fixed-satellite operation, including two-degree spacing, as a condition of entry. The Commission's technical standards are designed to: (i) reduce interference between satellites; and (ii) maximize orbital and spectral efficiency. By requiring that non-U.S. satellites adhere to these same standards, the Commission will ensure that these two public interest goals are furthered by all satellites serving the U.S. market. If non-U.S. satellites were permitted to participate in the U.S. market without being required to conform to these standards, their operation could adversely affect both U.S. satellites and terrestrial-fixed C-band microwave systems due to increased interference, thereby reducing the capacity and degrading the performance of these U.S. systems.[28] Moreover,

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[28] Adjacent satellite interference would definitely be a problem if a nonconforming non-U.S. satellite were

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satellites that do not conform to U.S. technical standards could be using scarce orbital spectrum in a less efficient manner than achievable under U.S. standards. The public interest would not be served by an inefficient use of spectrum, which would result in less available capacity and higher costs. Finally, nonconforming non-U.S. satellites would derive an unfair competitive advantage, because their satellites could be less costly to construct (as compared to compliant U.S. systems), and their nonconformance would impose unwarranted operational penalties (such as potential loss of capacity and degradation of service) on U.S. satellites. Accordingly, all market entrants should be required to comply with Part 25 standards, including two-degree, fixed-satellite operations.[29]

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located near to a U.S. satellite in the orbital arc. Satellite operation problems are likely to arise even if the nonconforming satellite were positioned far away from U.S. satellites, because uplinkers often interoperate with multiple satellites. Thus, permitting relaxed standards for non-U.S. satellites could lead to uplinker confusion and error when switching between non-U.S. and U.S. satellites, increasing interference potential. Further, C-band fixed terrestrial systems would be impacted by any satellite serving the U.S. market, regardless of its orbital location.

[29] See Licensing of Space Stations in the Domestic Fixed-Satellite Service and Related Revisions of Part 25 of the Rules and Regulations, CC Docket No. 81-704, Report and Order, FCC 83-184, released August 16, 1983; Amendment of Part 25 of the Commission's Rules and Regulations to Reduce Alien Carrier Interference Between Fixed-

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CONCLUSION

For the reasons stated herein, the Commission should: (1) adopt its proposal to treat all U.S.-licensed geostationary fixed-satellites under a unified regulatory scheme and thereby permit all such satellites to provide domestic and international services on a co-primary basis; (2) require all such satellite applicants to make a showing of full financing before license award; (3) allow licensees and applicants for these satellites to elect to provide service either on a common carrier or non-common carrier basis; and (4) allow all U.S.-licensed earth stations to communicate with all U.S.-licensed fixed-satellites.

The Commission should not, however, at this time permit COMSAT to provide U.S. domestic service using INTELSAT or INMARSAT capacity. Finally, non-U.S. satellites should be permitted to serve the U.S. market only upon a

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Satellites at Reduced Orbital Spacings and to Revise Application Processing Procedures for Satellite Communication Services, 8 FCC Rcd. 1316 (1993). Examples of important technical standards to which non-U.S. space stations should adhere include two-degree spacing and the following Part 25 (47 C.F.R.) Regulations: Power Flux Density Limits (§ 25.208), Antenna Performance Standards (§ 25.209), Satellite Technical Requirements (§ 25.210), and Video Transmission Operational Requirements (§ 25.211).