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May 9, 1997

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BY HAND DELIVERY

Mr. William Caton
Acting Secretary
Federal Communications Commission
Room 222
Washington, D.C. 20554

Federal Communications Commission
Office of Secretary

Re: **RM-7913; File No. 14-SAT-ISP-97; COMSAT
Petition For Relief**

Dear Mr. Caton:

This letter is submitted on behalf of ABC, Inc.; CBS Inc.; National Broadcasting Company, Inc., and Turner Broadcasting System, Inc. (hereinafter "the Networks"). On April 30, 1997, COMSAT Corporation submitted a letter to the Commission in which it attached a brief item from the April 24, 1997 edition of Communications Daily relating to a contract between PanAmSat and British Telecommunications under which PanAmSat will make available certain satellite capacity to BT. COMSAT claims in its April 30 letter that "it now appears that the competitiveness of the occasional use video market is even greater than COMSAT's petition [for streamlined tariff relief] demonstrates." In support of this claim, COMSAT cites the cursory Communications Daily item for the proposition that "PanAmSat recently announced that it will provide more than 5,000 hours of transponder time to British Telecom Broadcast Services for occasional use service to cover news and sports events."

COMSAT's characterization of the PanAmSat/BT arrangement is not entirely accurate and complete, at least as such arrangement may relate to the Networks' position regarding occasional use service contained in the Networks' January 17, 1997 comments filed in response to COMSAT's October 1996 petition. And it fails to accurately depict the status of occasional video service availability throughout the world. It is clear that whatever services are contemplated by the PanAmSat/BT arrangement, they are not the same as the "occasional use television services" referred to in the Networks' comments. (See the attached PanAmSat news release dated April 23, 1997, which is attached.) The occasional use services which are the principal subject of the Networks' January 17, 1997 comments may be ordered any time from COMSAT in increments as small as one minute after the minimum initial ten minutes and from different origination and termination points. What we have with the PanAmSat/BT arrangement

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is a long term agreement (through 1999), under which BT "will take advantage of a flexible contract designed exclusively for the group, ensuring satellite capacity, when available, for a variety of global broadcast services applications, including part-time and special events transmissions." This type of long-term, flexible, and exclusive arrangement is not like the existing COMSAT/INTELSAT occasional use service described above which is the focus of the Networks' comments in this proceeding. Indeed, the Networks distinguished the type of tailored long-term arrangement which is the subject of COMSAT's April 30 letter from standard occasional service by stating that they supported COMSAT's request for streamlined relief for "all offerings of occasional and short-term international video services bundled with other COMSAT services in individually negotiated 'contract tariff' arrangements." Networks' Comments, January 17, 1997, at 3.

Several other observations are in order.

First, note that the services under the contract apparently are subject to a "**when available**" clause. The occasional television services offered by COMSAT to which the Networks directed their comments are generally available tariffed services for which designated occasional use transponder capacity has been set aside. The Networks must have assurances that this capacity is generally available in order to meet their unpredictable program transmission requirements for news and special events. It is because such capacity is set aside to be generally available that rates for occasional use service are so much higher on a per minute equivalent basis than rates for full-time capacity.

Second, the PanAmSat/BT contract apparently is not limited to occasional use services, but covers "a variety of global broadcast services applications, **including** part-time and special events transmissions." Again, if the arrangement is an individually negotiated contract with occasional services bundled with other services, the Networks said in their January 17 comments that they have no objection to COMSAT being able its offer such arrangements on a streamlined basis.

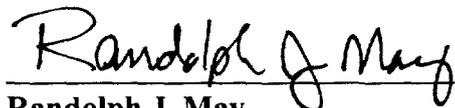
Finally, COMSAT's assertion concerning the hours involved in the PanAmSat/BT contract is somewhat misleading. COMSAT compares its occasional use hours for a single year (1996) with PanAmSat/BT's hours, but neglects to mention that the PanAmSat/BT commitment for 5,000 hours is through 1999. Moreover, the fact that COMSAT's reported hours are "half channel hours" simply means that some other INTELSAT signatory carried at least the same number of hours on the other side to complete the "whole channel" circuit. In other words, in 1996, INTELSAT carried 12,950 "half-channel" hours relating just to the occasional traffic identified by COMSAT. Of course, this doesn't change the fact that the PanAmSat/BT contract is just for 5000 hours over a multi-year period.

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In sum, the Networks do not agree with the statement in COMSAT's April 30, 1997 letter that "the competitiveness of the occasional use video market is even greater than COMSAT's petition demonstrates." At this time, the Networks remain very dependent upon COMSAT/INTELSAT's occasional use service to be available at reasonable rates, terms, and conditions in order to ensure that they can bring to the public coverage of important news and special events occurring throughout the world. While the Networks in their January 17 comments have supported COMSAT's petition for streamlined tariff treatment of its video services in significant measure, they oppose such request with regard to occasional use and short-term video services which propose rate increases or service changes. Indeed, COMSAT appears already to have accepted the Networks' position by stating in its Reply Comments that it does not object to continued full regulation of occasional services under the circumstances delineated by the Networks in their comments. See COMSAT Reply, January 30, 1997, at 7-8.

Respectfully submitted,

**ABC, INC.
CBS INC.
NATIONAL BROADCASTING COMPANY, INC.
TURNER BROADCASTING SYSTEM, INC.**



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NEWS RELEASE

PANAMSAT ENABLES BRITISH TELECOMMUNICATIONS TO ACCESS GLOBAL SATELLITE CAPACITY WHENEVER, WHEREVER NEEDED **BT Will Use PanAmSat Satellite System For Part-Time and Special Events Transmissions**

GREENWICH, Conn., April 23, 1997 – PanAmSat Corporation (NASDAQ: SPOT) announced today that British Telecommunications (BT) Broadcast Services, a division of BT, plans to use more than 5,000 hours of capacity on PanAmSat's global satellite system on an as-needed basis through 1999. BT Broadcast Services will take advantage of a flexible contract designed exclusively for the group, ensuring satellite capacity, when available, for a variety of global broadcast services applications, including part-time and special events transmissions.

"PanAmSat is providing BT Broadcast Services with the flexibility to access capacity on PanAmSat satellites at virtually any time, anywhere in the world," said Michael Antonovich, PanAmSat's vice president and general manager, broadcast services. "BT is able to estimate its need for future capacity to cover news and sporting events, among other things. The big question is usually where and when that capacity will be needed."

The global contract outlines a procedure for service requests on any of PanAmSat's current and upcoming satellites while offering the flexibility for BT Broadcast Services' varied needs and capabilities.

BT Broadcast Services is Europe's leading supplier of global broadcast solutions, providing a comprehensive range of terrestrial and satellite services for international television and radio broadcasters. The group offers flexible, cost-effective and tailor-made services such as network development, design, provision and management. Its international client base includes broadcasters, news agencies, production companies and organizers of special events throughout the world.

PanAmSat is the world's first private-sector company to provide global satellite services. It offers satellite-based video and data communications services to hundreds of customers worldwide using a four-satellite global system: PAS-1 and PAS-3 over the Atlantic Ocean Region; PAS-2 over the Pacific Ocean Region; and PAS-4 over the Indian Ocean Region. PanAmSat plans to launch four additional satellites by mid-1998, enabling the company to operate multiple satellites in each ocean region worldwide. In September 1996, PanAmSat and Hughes Electronics Corporation announced an agreement to merge their respective fixed satellite service operations into a new publicly held company. The merger, which has received all necessary government approvals, is expected to be completed in May 1997.

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