

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC**

In the Matter of)	
)	
Assessment and Collection of Regulatory Fees for Fiscal Year 2015)	MD Docket No. 15-121
)	
Amendment of Part 1 of the Commission’s Rules)	MD Docket No. 15-121
)	
Assessment and Collection of Regulatory Fees for Fiscal Year 2014)	MD Docket No. 14-92
)	

COMMENTS OF INTELSAT LICENSE LLC

Intelsat License LLC¹ and its affiliated entities (collectively, “Intelsat”), through its attorneys, hereby responds to the Federal Communications Commission’s (“Commission” or “FCC”) request for comments in the above referenced regulatory fee proceeding. Intelsat appreciates the Commission’s continued work to reform regulatory fees and encourages the Commission to continue to consider how to reallocate fees to reflect more accurately the Commission’s work on behalf of U.S.-licensed space station operators. In particular, the FCC should adopt rules allowing application fees to offset regulatory fees. In addition, Intelsat urges the Commission to initiate a further proceeding to enact its prior proposal to assess regulatory fees on non-U.S.-licensed satellite operators that have been granted U.S. market access.

The Commission’s 2015 Regulatory Fee NPRM seeks comment on “other proposals for regulatory fee reform.”² Intelsat supports the proposal in currently pending legislation that

¹ Intelsat License LLC holds all of Intelsat’s U.S. space station licenses.

² *In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2015; Amendment of Part 1 of the Commission’s Rules; Assessment and Collection of Regulatory Fees*

would offset regulatory fees with application fees.³ As Commissioner Ajit Pai explained, “that legislation would correct a quirk in the law in order to allow application fees (which are intended to offset the FCC’s costs) to offset regulatory fees rather than just being deposited in the Treasury as they are now.”⁴ This “quirk” is at odds with Section 8 of the Communications Act, which states that “[m]oneys received from application fees established under this section shall be deposited in the general fund of the Treasury *to reimburse the United States for amounts appropriated for use by the Commission in carrying out its functions under this chapter.*”⁵ For geostationary and non-geostationary U.S.-licensed satellite providers, who currently pay \$129,645.00 and \$446,500.00, respectively, for initial licenses and \$9,265.00 and \$31,895.00, respectively, for each modification, this oversight in the Commission’s rules has severe economic consequences.

The FCC can correct this discrepancy by adjusting its rules to allow application fees to cover the full time employees (“FTEs”) involved in application processing. Such a change would be consistent with the directive of the Communications Act to use application fees to reimburse the government for the work it does processing applications. Alternatively, the FCC could apply application fees as a credit against a licensee’s regulatory fees. To the extent

for Fiscal Year 2014, Notice of Proposed Rulemaking, Report and Order, and Order, MD Docket Nos. 15-121 and 14-92, FCC 15-59 (rel. May 21, 2015) (“2015 Regulatory Fee NPRM”).

³ See Hearing entitled “FCC Reauthorization: Oversight of the Commission”, Mar. 17, 2015, available at <http://docs.house.gov/meetings/IF/IF16/20150319/103182/HHRG-114-IF16-20150319-SD002.pdf>.

⁴ *In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2015; Amendment of Part 1 of the Commission’s Rules; Assessment and Collection of Regulatory Fees for Fiscal Year 2014*, Statement of Commissioner Ajit Pai, FCC 15-59 (rel. May 21, 2015).

⁵ 47 U.S.C. § 158(e) (emphasis added).

congressional action is required to implement this change, Intelsat urges the FCC to support any pending legislation.

In addition, Intelsat urges the FCC to commence the necessary further review to adopt its proposal to assess regulatory fees on non-U.S.-licensed satellite operators that have been granted U.S. market access.⁶ Last year, the Commission declined to adopt a regulatory fee category for non-U.S. licensed space stations due to the “complexities” of the proposal.⁷ A further proceeding would reveal, however, that this issue is in fact very straightforward: non-U.S.-licensed satellite operators serving the U.S. market are benefiting at the expense of U.S. licensees. Despite receiving the same protections and following the same rules as U.S. licensees, non-U.S.-licensed satellite operators that access the U.S. market currently pay neither application nor regulatory fees.⁸ The discrepancy in the cost of providing service to the U.S. market gives non-U.S.-licensed satellite operators a competitive advantage over their U.S.-licensed competitors.

Moreover, the differential in the cost of serving the U.S. as a U.S.-licensed or non-U.S.-licensed satellite operator encourages satellite licensing through other administrations. In the past three years, there have been approximately an equal amount or more requests for U.S. market access rather than for U.S. satellite licenses.⁹ There are approximately 55 operational

⁶ *Assessment and Collection of Regulatory Fees for Fiscal Year 2014*, Notice of Proposed Rulemaking, Second Further Notice of Proposed Rulemaking, and Order, 29 FCC Rcd 6417, 6433-34 (¶¶ 47-50) (2014).

⁷ *Assessment and Collection of Regulatory Fees for Fiscal Year 2014*, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 10767, 10781 (¶ 34) (2014).

⁸ *See Amendment of the Commission’s Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Satellite Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24163 (1997).

⁹ There are currently three pending applications for U.S. satellite licenses, and three pending petitions for U.S. market access.

non-U.S.-licensed satellites that have been granted U.S. market access.¹⁰ The FCC staff spent time processing the market access application for each of those non-U.S. licensed satellites – all without any reimbursement of the cost of that staff time. Instead, the Commission shifted those costs onto Intelsat and other U.S.-licensed satellite operators. U.S.-licensed satellite operators should not have to subsidize non-U.S.-licensed satellite operators’ ability to serve the U.S. market. The FCC should initiate a proceeding to assess regulatory fees on non-U.S. satellite operators authorized to serve the U.S. in order to correct this inequity that harms U.S.-licensed satellite operators and encourages them to consider other licensing administrations.

Respectfully submitted,

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¹⁰ If these satellites were assessed regulatory fees, this would result in over \$6 million in regulatory fees paid to the FCC.