

Step 1.C.—Adjustment for Inflation or Deflation

(1) In making projections of future expenses, expenses that are subject to inflationary or deflationary pressures are adjusted. Costs not subject to inflation or deflation are not adjusted. Annual cost inflation or deflation rates will be projected to the succeeding navigation season, reflecting the gradual increase or decrease in costs throughout the year. The inflation adjustment will be based on the preceding year's change in the Consumer Price Index for the North Central Region of the United States.

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Step 5: Determination of Target Rate of Return on Investment

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(2) The allowed Return on Investment (ROI) is based on the preceding year's average annual rate of return for new issues of high grade corporate securities.

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Issued at Washington, D.C. on February 4, 1997.

Saint Lawrence Seaway Development Corporation

Gail C. McDonald,

Administrator.

[FR Doc. 97-3176 Filed 2-7-97; 8:45 am]

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FEDERAL COMMUNICATIONS COMMISSION
47 CFR Part 25

[IB Docket No. 95-117; FCC 96-425]

Satellite Application and Licensing Procedures

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: The Commission has adopted rules and policies to streamline application and licensing requirements for satellite space and earth stations under the Commission's rules regarding satellite communications. Among other things, the Commission waives the construction permit requirement for satellite space stations and modifies the license term for temporary fixed earth stations and the implementation period for Very Small Aperture Terminal ("VSAT") earth stations. The Report and Order amends minor modifications for earth station and inclined orbit operations of space stations, and application and licensing forms.

EFFECTIVE DATE: The adopted rule changes will become effective upon

approval by the Office of Management and Budget of the modified information collection requirements, but no sooner than April 11, 1997. When approval is received, the Federal Communications Commission will publish a document announcing the effective date.

FOR FURTHER INFORMATION CONTACT:

Tracey Weisler, International Bureau, Satellite Policy Branch, (202) 418-0744; Frank Peace, International Bureau, Satellite Engineering Branch, (202) 418-0730; Kathleen Campbell, International Bureau, Satellite Policy Branch (202) 418-0753. For additional information concerning the information collection contained in this NPRM contact Dorothy Conway at (202) 418-0217, or via the Internet at dconway@fcc.gov.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Report and Order in IB Docket No. 95-117; FCC 96-425, adopted October 29, 1996 and released December 16, 1996. The complete text of this Report and Order is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239), 1919 M Street, N.W. Washington, D.C., and also may be purchased from the Commission's copy contractor, International Transcription Service, (202) 857-3800, 2100 M Street, N.W., Suite 140, Washington, D.C. 20037.

This Report and Order contains modifications to approved collections and will be submitted to the Office of Management and Budget for review under Section 3507(d) of the Paperwork Reduction Act (44 U.S.C. 3507(d)). For copies of the submissions contact Dorothy Conway at (202) 418-0217 or access our fax on demand system at 202-418-0177 from the handset on your fax machine and using the document retrieval number 6000000. A copy of any comments filed with the Office of Management and Budget should also be sent to the following address at the Commission: Federal Communications Commission, Records Management Division, Room 234, Paperwork Reduction Project, Washington, D.C. 20554. For further information contact Judy Boley, (202) 418-0210.

Title: Streamlining the Commission's Rules and Regulations for Satellite Application and Licensing Procedures.

Form No.: FCC Form 312.

Type of Review: Revision of existing collections.

Respondents: Businesses or other for profit, including small businesses.

Number of Respondents: 1,275.

Estimated Time Per Response: The Commission estimates all respondents will hire an attorney or legal assistant to complete the form. The time to retain these services is 2 hours per respondent.

Total Annual Burden: 2,550 hours.

Estimated Costs Per Respondent: This includes the charges for hiring an attorney, legal assistant, or engineer at \$150 an hour to complete the submissions. The estimated average time to complete the Form 312 is 10 hours per response. The estimated average time to complete space station submissions is 20 hours per response. The estimated average time to complete the ASIA submission is 24 hours per response. Earth station submissions: \$1935. (\$1500 for Form 312; \$375 remainder of application; \$60 for outside hire.) Space station submissions: \$4560 (\$1500 for Form 312; \$3000 for remainder of submission; \$60 for outside hire). ASIA submissions: \$3,660 (\$3,600 for submission; \$60 for outside hire). Fee amounts vary by type of service and application. Total fee estimates for industry: \$4,956,255.00. Needs and Uses: In accordance with the Communications Act, the information collected will be used by the Commission in evaluating applications requesting authority to operate pursuant to Part 25 of the Commission's rules. The information will be used to determine the legal, technical, and financial ability of the applicants and will assist the Commission in determining whether grant of such authorizations are in the public interest.

Summary of Report and Order

1. In light of the evolving satellite technology, the Commission commenced a review of its operations in order to eliminate outdated regulations and unnecessary burdens that impede the introduction of satellite services to the public and the efficient processing of satellite applications and licenses. As a result of this review, the Commission created the International Bureau. Soon after its creation, the new International Bureau held a roundtable discussion in February 1995 with representatives of industry and members of the public to solicit suggestions on ways to improve satellite application and licensing policies and procedures. Many of the recommendations made during that roundtable discussion were incorporated in Notice of Proposed Rulemaking to streamline satellite licensing procedures. Notice of Proposed Rulemaking, 60 FR 46252, September 9, 1995.

2. The Report and Order amends or eliminates existing requirements, and codifies in Part 25 of the Commission's rules, various technical and procedural policies and guidelines that have not yet been specifically codified. Among other things, the Commission waives the construction permit requirement for

satellite space stations; increases the license term, from one year to ten years, for temporary fixed earth stations operating in the C-band; eliminates the four year implementation period for VSATs allowing VSAT licensees to construct their network over the course of their ten year license term; eliminates the annual reporting requirement for VSATs; simplifies the earth and space station application process by revising and consolidating FCC Forms 430, 493, 702, and 704; eliminates redundant reporting requirements for earth and space stations; allows earth station operators to make minor technical modifications to their stations without prior authorization from the Commission; and allows satellites to operate in inclined orbits without prior authorization from the Commission.

3. Given the large outlay of capital and long-term planning necessary to establish satellite systems, it is necessary to ensure that potential applicants and service providers are not hampered by unnecessary and sometimes redundant regulations. This action by the Commission recognizes the need of the satellite industry to operate in an environment defined by growth, innovation, efficiency, and competition.

Ordering Clauses

4. Accordingly, it is ordered that Part 25 of the Commission's rules, 47 CFR Part 25, the Commission's forms, and the Commission's policies are amended as specified in this Report and Order.

5. It is further ordered that the amendments to Part 25 of the Commission's rules, 47 CFR Part 25, the Commission's forms and the Commission's policies as specified in this Report and Order will become effective upon approval by the Office of Management and Budget of the revised information collection requirements adopted herein, but no sooner than April 11, 1997. This action is taken pursuant to Sections 4 and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. 154, 303(r), and Section 201(c) of the Communications Satellite Act of 1962, 47 U.S.C. 721(c).

Final Regulatory Flexibility Analysis

6. As required by Section 603 of the Regulatory Flexibility Act, 5 U.S.C. 603 (RFA), an Initial Regulatory Flexibility Analysis (IRFA) was incorporated in the Notice of Proposed Rulemaking (NPRM) in IB Docket 95-117. Written comments on the proposals in the Notice, including the Initial Regulatory Flexibility Analysis, were requested. The Commission's Final Regulatory Flexibility Analysis (FRFA) in this

Report and Order conforms to the RFA, as amended by the contract With America Advancement Act of 1996 (CWAAA), Public Law 104-121, 110 Stat. 847 (1996).¹

7. The Regulatory Flexibility Act (RFA), first enacted in 1980, recognizes that the size of a business or organization has a bearing on its ability to comply with federal regulations and forces the government to ensure that their regulations do not unduly inhibit the ability of small businesses to compete.²

I. Need for and Objectives of the Rules

8. With this Report and Order the Commission eliminates a number of application and licensing requirements for satellite and earth stations under Part 25 of our rules. The last substantial review of our satellite regulations occurred in the late 1980's. Much has changed in the industry since then, necessitating a modification of Part 25 of our rules.

9. In this proceeding, the Commission adopts rule changes and deletions that promote efficiency and innovation in the licensing and use of the electromagnetic spectrum. These modified rules reflect the changing nature of the satellite industry and remove unnecessary regulatory burdens from large and small service providers.

10. The Commission's objective is to identify and eliminate outdated and cumbersome regulations, to reduce unnecessary paperwork, and to increase efficiency in this market which is expected to grow, worldwide, from \$13.8 to \$37 billion in revenue by the year 2000.³ This objective is consistent with the Commission's continuing effort to review and revise, as necessary, its rules. In addition, we expect these rule changes to aid in the development of competitive and innovative telecommunications systems.

II. Summary of Significant Issues Raised by the Public Comments in Response to the IRFA

11. No comments were received in direct response to the Initial Regulatory Analysis. However, a cross section of satellite industry members, including two self-identified small entities, CTA Incorporated (CTA) and Orion Network Systems, Inc. (Orion), filed comments to the NPRM and, in general, strongly supported the proposed changes.

¹ Subtitle II of the CWAAA is "The Small Business Regulatory Enforcement Fairness Act of 1996" (SBREFA), codified at 5 U.S.C. 601 *et seq.*

² See "A Guide to the Regulatory Flexibility Act" (U.S. Small Business Administration) May 1996.

³ Source: A.T. Kearny, Industry Reports.

III. Description and Estimate of the Number of Small Entities To Which Rule Will Apply

12. The Commission has not developed a definition of small entities relevant to satellite services licensees. Therefore the applicable definition of small entity in the satellite services industry is the definition under the Small Business Administration (SBA) rules applicable to Communications Services "Not Elsewhere Classified."⁴ This definition provides that a small entity is expressed as one with \$11 million or less in annual receipts. According to Census Bureau data, there are 848 firms that fall under the category of Communications Services, Not Elsewhere Classified. Of those, approximately 775 reported annual receipts of \$11 million or less and qualify as small entities.⁵ The Census Bureau category is very broad and commercial satellite services constitute only a subset of its total.

13. Describing and estimating the number of small entities these rules will impact is made difficult by a number of factors. First of all, information from the Satellite Industry Association and financial analysts who specialize in this market indicate there are few firms that could be traditionally thought of as small businesses. They point to the fact that this is a capital intensive industry that requires "significant partner funding and/or contract commitments prior to approaching commercial financing sources."⁶ In addition, estimates of employment in the commercial satellite service industry, another measure of small business status, can vary widely.⁷

14. There are, however, a number of firms who identify themselves as small entities including: Columbia Communications Corp., CTA, Mobile Communications Holdings, Inc. (MCHI), Orion, TelQuest Ventures, L.L.C., and possibly others. Several of these companies have submitted comments to the Commission's Section 257 proceeding to identify and eliminate market entry barriers for small

⁴ 13 CFR 121.201, Standard Industrial Classification (SIC) Code 4899.

⁵ U.S. Bureau of the Census, U.S. Department of Commerce, 1992 Census of Transportation, Communications, and Utilities, UC92-S-1, Subject Series, Establishment and Firm Size, Table 2D, Employment Size of Firms: 1992, SIC Code 4899 (issued May 1995).

⁶ See "Financing the Final Frontier: Funding Commercial Space Activities" Bear Stearns, Global Space & Satellite Finance Report.

⁷ American Mobile Satellite Corp. is reported to have 45 employees by the Satellite Industry Association; 317 employees by Satellite Industry Analyst "BZW".

business⁸ and as previously noted, two of these firms filed comments in this proceeding.

15. While no reliable estimate exists of the number of small businesses to which these rule changes will apply, to the extent that a business could be identified as a small entity, we believe that these proposed rules will have a positive effect on their ability to compete in this business sector by eliminating unnecessary regulatory burdens and constraints.

IV. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements

16. The proposed rules will eliminate the need for the filing of approximately thirty-six space station construction permits; fifteen 319(d) waiver requests; five Mobile Satellite Station (MSS) earth station construction permits; six STAs and two modification applications for operation of space stations in inclined orbit, 400 license renewals for temporary fixed earth stations, 25 applications for extension of time to complete construction of a Very Small Aperture Terminal (VSAT) network, and 300 applications for minor modification annually.

17. In addition, the proposed rules would consolidate the satellite application information currently collected from Forms 702, 704, 493 and 430 into a single form. This streamlines the Commission's satellite application and licensing procedures, making the entire process more user-friendly and allowing for faster provision of service to end users. In addition to the new, consolidated, Form 312, this item lays the groundwork for the eventual development of an electronic filing system that will streamline and automate processing further.

18. The Commission also plans to make technical databases, software, and other data available on the Internet as well as through the International Bureau reference room. These actions should significantly reduce the cost of compliance, specifically in the areas of staff time, recordkeeping, regulatory and legal fees.

V. Significant Alternatives and Steps Taken By Agency to Minimize Significant Economic Impact on a Substantial Number of Small Entities Consistent With Stated Objectives

19. The Commission considered all alternatives submitted by commenters. We accepted those that lead to simplification, clarification and streamlining of the rules. We rejected

those inconsistent with streamlining objectives. For instance we rejected Loral Qualcomm's suggestion that we defer action on waiver of construction permit requirements.⁹ The elimination of the construction permit waiver was strongly supported by CTA, who urged the Commission "to move forward expeditiously with the elimination of the construction permit requirement."¹⁰ We agreed with CTA and others that this action will reduce delay and increase flexibility for all entities.

20. Other actions proposed in this proceeding seek to reduce industry costs and minimize negative economic impacts and will benefit the efforts of any small businesses who may currently be operating in this industry or those who seek to enter. Indeed, since the Report and Order significantly reduce administrative, regulatory and paperwork burdens these rule changes will have a positive effect on small entities and supports our objective to eliminate outdated and cumbersome regulations, reduce unnecessary paperwork, and increase efficiency in the satellite services market.

21. We proposed a number of rule changes that could prove beneficial to any identifiable small entity or entrepreneurs providing satellite services. These actions not only reduce administrative burdens but also they provide businesses with increased flexibility in their operations and are consistent with our public interest mandate under the Communications Act.

22. For instance, as previously noted, we will eliminate the construction permit requirement. This, in turn, will diminish the administrative burdens on applicants and the potential delays associated with the processing of construction permit applications and requests for Section 319(d) waivers. We rejected suggestions to delay implementation of this policy and suggestions to require notice that construction had begun. The construction waiver will allow companies to move forward with business plans at their own risk.

23. We will increase the license renewal term for C-band transportables. This allows applicants to engage in long-term business planning and reduces the administrative and regulatory burdens associated with processing license renewals and could provide significant benefits to small entities.

24. We will eliminate the requirements that a VSAT applicant

complete construction of its network within forty eight months of the date we grant, and instead, permit VSAT licensees to complete construction over the course of their ten-year license term. As with the extended license renewal term for C-band, the extended construction term will serve small entities and entrepreneurs because it allows greater flexibility in financial and construction planning.

25. We will allow licensees making minor modifications to simply notify us by letter within thirty days after the modifications are completed—eliminating the need to gain prior authorization from the Commission.

26. We will eliminate unnecessary and redundant requirements for space station applications including "estimated annual revenue requirements." Deleting this requirement eliminates controversy surrounding confidentiality of sensitive business information and will reduce the number of petitions for confidentiality filed with the Commission and the associated labor hours and legal fees.

27. We will eliminate the bandwidth limitation for digital VSAT carriers and will not impose bandwidth limitations on other carriers. A change supported by another self-identified small entity—Orion.¹¹

28. We will adopt ASIA (Adjacent Satellite Interference Analysis), a widely used computer database as the standard program for analyzing interference with regard to earth station applications. This database will be made available via the Internet and the International Bureau reference room.

29. Orion expressed concern in their comments that the ASIA database has not proven to be the industry standard and that reporting requirements "could impinge upon the proprietary interests of various satellite operators."¹² In response we noted that in 1985, the Reduced Orbital Spacings Advisory Committee, comprised of both government and industry representatives, pronounced ASIA as the generally accepted procedure for calculating adjacent satellite interference.¹³ In order to protect proprietary information we plan to present the database information on an aggregate basis. This will allow the Commission to increase public accessibility of information while maintaining transparent regulatory functions.

¹¹ Comments of Orion at p. 4.

¹² Comments of Orion at p. 5.

¹³ See *Supra* at N66.

⁸ GN Docket 96-113.

⁹ Comments of Loral Qualcomm at p. 3.

¹⁰ CTA reply comments at p. 2.

30. We believe that the rules, as modified by this Report and Order, reflect the minimum requirements necessary to carry out our duties under the Communications Act and other Federal statutes including the Regulatory Flexibility Act. We will, however, in the future continue to consider alternatives with the objective of eliminating unnecessary regulations and minimizing economic impact on small businesses.

VI. Commission's Outreach Efforts to Learn of and Respond to the Views of Small Entities Pursuant to 5 U.S.C. 609

31. This rulemaking reflects a new, collaborative, approach to reinventing the classic regulatory structure. Prior to issuing the Notice in this proceeding and this Report and Order, Commission staff worked closely with interested industry members to analyze in detail each administrative and technical aspect of the FCC's Part 25 rules governing satellite application and licensing procedures.

32. Beginning in 1994 the International Bureau has held a series of roundtable discussions with industry and the public and issued public notices soliciting ideas for streamlining licensing. All entities and interested parties were invited to participate and a number of initiatives, including this proceeding resulted. Indeed, through our "Open Skies" policy, the FCC seeks to encourage new players by allowing any business, regardless of size, who has a plan and the ability to implement the plan, a fair chance to succeed in the satellite service market.

VII. Report to Congress

33. The Commission shall send a copy of this Final Regulatory Flexibility Analysis, along with this Report and Order, to Congress pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U.S.C. 801(a)(1)(A).

List of Subjects in 47 CFR Part 25

Communications common carriers, Reporting and recordkeeping requirements, Satellites.

Federal Communications Commission.

William F. Caton,
Acting Secretary.

Rule Changes

Part 25 of the Commission's Rules and Regulations (Chapter I of Title 47 of the Code of Federal Regulations) is amended as follows:

PART 25—SATELLITE COMMUNICATIONS

1. The authority citation for Part 25 continues to read as follows:

Authority: Secs. 25.101 to 25.601 issued under Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interpret or apply secs. 101-104, 76 Stat. 419-427; 47 U.S.C. 701-744; 47 U.S.C. 554.

2. Section 25.113 is amended by revising the section heading and paragraphs (a), (b), and (f) and adding new paragraph (g) to read as follows:

§ 25.113 Construction permits, station licenses, launch authority.

(a) Except as provided in paragraph (b) of this section or in § 25.131, construction permits must be obtained for all fixed, temporary fixed or mobile earth stations governed by this part. Simultaneous application for a construction permit and station license may be made for all earth station facilities governed by this part.

(b) Construction permits are not required for fixed, temporary fixed or mobile satellite earth stations that operate with INTELSAT or INMARSAT space stations or for fixed, temporary fixed or mobile earth stations that operate with U.S.-licensed space stations. Construction of such stations may commence prior to grant of a license at the applicant's own risk. Applicants must comply with the provisions of 47 CFR 1.1312 relating to environmental processing prior to commencing construction.

* * * * *

(f) Construction permits are not required for U.S.-licensed space stations. Construction of such stations may commence, at the applicant's own risk, prior to grant of a license. Prior to commencing construction, however, applicants must notify the Commission in writing that they plan to begin construction at their own risk.

(g) A launch authorization and station license (i.e., operating authority) must be applied for and granted before a space station may be launched and operated in orbit. Request for launch authorization may be included in an application for space station license. However, an application for authority to launch and operate an on-ground spare satellite will be considered to be a newly filed application for cut-off purposes, except where the space station to be launched is determined to be an emergency replacement for a previously authorized space station that has been lost as a result of a launch failure or a catastrophic in-orbit failure.

3. Section 25.114 is revised as to read as follows:

§ 25.114 Applications for space station authorizations.

(a) A comprehensive proposal shall be submitted for each proposed space station on FCC Form 312, Main Form, together along with attached exhibits as described in paragraph (c) of this section. If an applicant is proposing more than one space station, information common to all space stations may be submitted in a consolidated system proposal.

(b) Each application for a new or modified space station authorization must constitute a concrete proposal for Commission evaluation, although the applicant may propose alternatives that increase flexibility in accommodating the satellite in orbit. Each application must also contain the formal waiver required by Section 304 of the Communications Act, 47 U.S.C. 304. The technical information for a proposed satellite system need not be filed on any prescribed form but should be complete in all pertinent details. The format of the applications should conform to the specifications of § 1.49 of this chapter.

(c) The following information in narrative form shall be contained in each application:

- (1) Name, address, and telephone number of the applicant;
- (2) Name, address, and telephone number of the person(s), including counsel, to whom inquiries or correspondence should be directed;
- (3) Type of authorization requested (e.g., launch authority, station license, modification of authorization);

(4) General description of overall system facilities, operations and services;

(5) Radio frequencies and polarization plan (including beacon, telemetry, and telecommand functions), center frequency and polarization of transponders (both receiving and transmitting frequencies), emission designators and allocated bandwidth of emission, final amplifier output power (identify any net losses between output of final amplifier and input of antenna and specify the maximum EIRP for each antenna beam), identification of which antenna beams are connected or switchable to each transponder and TT&C function, receiving system noise temperature, the relationship between satellite receive antenna gain pattern and gain-to-temperature ratio and saturation flux density for each antenna beam (may be indicated on antenna gain plot), the gain of each transponder channel (between output of receiving antenna and input of transmitting antenna) including any adjustable gain step capabilities, and predicted receiver

and transmitter channel filter response characteristics;

(6)(i) For satellites in geostationary-satellite orbit, orbital location, or locations if alternatives are proposed, requested for the satellite, the factors that support such an orbital assignment, the range of orbital locations from which adequate service can be provided and the basis for determining that range of orbital locations, and a detailed explanation of all factors that would limit the orbital arc over which the satellite could adequately serve its expected users;

(ii) For satellites in non-geostationary-satellite orbits, the number of space stations and applicable information relating to the number of orbital planes, the inclination of the orbital plane(s), the orbital period, the apogee, the perigee, the argument(s) of perigee, active service arc(s), and right ascension of the ascending node(s); and

(iii) For 1.6/2.4 GHz Mobile-Satellite Service space stations, the feeder link frequencies requested for the satellite, together with the demonstration required by § 25.203 (j) and (k);

(7) Predicted space station antenna gain contour(s) for each transmit and each receive antenna beam and nominal orbital location requested. These contour(s) should be plotted on an area map at 2 dB intervals down to 10 dB below the peak value of the parameter and at 5 dB intervals between 10 dB and 20 dB below the peak values, with the peak value and sense of polarization clearly specified on each plotted contour;

(8) A description of the types of services to be provided, and the areas to be served, including a description of the transmission characteristics and performance objectives for each type of proposed service, details of the link noise budget, typical or baseline earth station parameters, modulation parameters, and overall link performance analysis (including an analysis of the effects of each contributing noise and interference source);

(9) For satellites in geostationary-satellite orbit, accuracy with which the orbital inclination, the antenna axis attitude, and longitudinal drift will be maintained;

(10) Calculation of power flux density levels within each coverage area and of the energy dispersal, if any, needed for compliance with § 25.208;

(11) Arrangement for tracking, telemetry, and control;

(12) Physical characteristics of the space station including weight and dimensions of spacecraft, detailed mass (on ground and in-orbit) and power

(beginning and end of life) budgets, and estimated operational lifetime and reliability of the space station and the basis for that estimate;

(13) Detailed information demonstrating the financial qualifications of the applicant to construct and launch the proposed satellites. Applications shall provide the financial information required by § 25.140 (b) through (e), § 25.142(a)(4), or § 25.143(b)(3), as appropriate;

(14) A clear and detailed statement of whether the space station is to be operated on a common carrier basis, or whether non-common carrier transactions are proposed. If non-common carrier transactions are proposed, describe the nature of the transactions and specify the number of transponders to be offered on a non-common carrier basis;

(15) Dates by which construction will be commenced and completed, launch date, and estimated date of placement into service;

(16) Public interest considerations in support of grant;

(17) Applications for authorizations for domestic fixed-satellite space stations shall also include the information specified in § 25.140;

(18) Applications for authorizations in the Radiodetermination Satellite Service shall also include the information specified in § 25.141;

(19) Applications for authorizations in the Mobile-Satellite Service in the 1545–1559/1646.5–1660.5 MHz frequency bands shall also provide all information necessary to comply with the policies and procedures set forth in Rules and Policies Pertaining to the Use of Radio Frequencies in a Land Mobile Satellite Service, 2 FCC Rcd 485 (1987) (Available at address in § 0.445 of this chapter.);

(20) Applications to license multiple space station systems in the non-voice, non-geostationary mobile-satellite service under blanket operating authority shall also provide all information specified in § 25.142; and

(21) Applications for authorizations in the 1.6/2.4 GHz Mobile-Satellite Service shall also provide all information specified in § 25.143.

(d) Applicants requesting authority to launch and operate a system comprised of technically identical, non-geostationary satellite orbit space stations may file a single “blanket” application containing the information specified in paragraph (c) of this section for each representative space station.

4. Section 25.115 is revised to read as follows:

§ 25.115 Application for earth station authorizations.

(a) Transmitting earth stations. Except as provided under § 25.113(b), Commission authorization must be obtained for authority to construct and/or operate a transmitting earth station. Applications shall be filed on FCC Form 312, Main Form and Schedule B, and include the information specified in § 25.130.

(b) Receive-only earth stations. Applications to license or register receive only earth stations shall be filed on FCC Form 312, Main Form and Schedule B, and conform to the provisions of § 25.131.

(c) Large Networks of Small Antennas operating in the 12/14 GHz bands with U.S. satellites for domestic services. Applications to license small antenna network systems operating in the 12/14 GHz frequency band under blanket operating authority shall be filed on FCC Form 312, Main Form and Schedule B, for each large (5 meters or larger) hub station, and Schedule B for each representative type of small antenna (less than 5 meters) operating within the network.

(d) User transceivers in the NVNG and 1.6/2.4 GHz Mobile-Satellite Service need not be individually licensed. Service vendors may file blanket applications for transceivers units using FCC Form 312, Main Form and Schedule B, and specifying the number of units to be covered by the blanket license. Each application for a blanket license under this section shall include the information described in § 25.135.

5. Section 25.117 is amended by revising the introductory text of paragraph (a) to read as follows:

§ 25.117 Modification of station license.

(a) Except as provided for in § 25.118 (Modifications not requiring prior authorization), no modification of a radio station governed by this part which affects the parameters or terms and conditions of the station authorization shall be made except upon application to and grant of such application by the Commission. No license modification will be required if the licensee seeks to access another U.S.-licensed fixed satellite provided:

* * * * *

6. Sections 25.118 through 25.120 are redesignated as §§ 25.119 through 25.121 and a new § 25.118 is added to read as follows:

§ 25.118 Modifications not requiring prior authorization.

(a) Equipment in an authorized earth station may be replaced without prior authorization or prior notification if the

new equipment is electrically identical to the existing equipment. Licensees must notify the Commission using FCC Form 312, Main Form, within 30 days after the new equipment is installed.

(b) A licensee providing service on a private carrier basis may change its operations to common carrier status without obtaining prior Commission authorization. The licensee must notify the Commission using Form 312 within 30 days after the completed change to common carrier status.

(c) Licensees may make changes to their authorized earth stations without obtaining prior Commission authorization if frequency coordination procedures, as necessary, are complied with in accordance with § 25.251, and the modification does not involve:

- (1) An increase in EIRP or EIRP density (both main lobe and side lobe);
- (2) An increase in transmitted power;
- (3) A change in coordinates of more than 1 second for stations operating in C-Band or 10.95 to 11.7 GHz;
- (4) A change in coordinates of 10 seconds or greater for stations operating in Ku-band; or

(5) An addition to an antenna facility, including hub earth stations and remote terminals, that is already licensed, except for VSAT remote terminals.

(d) Licensees must notify the Commission using FCC Form 312 within 30 days after the modification is completed.

7. In newly redesignated § 25.119, paragraphs (c), (d) and (f) are revised to read as follows:

§ 25.119 Assignment or transfer of control of station authorization.

* * * * *

(c) Assignment of license. FCC Form 312, Main Form and Schedule A, shall be submitted to assign voluntarily (as by, for example, contract or other agreement) or involuntarily (as by, for example, death, bankruptcy, or legal disability) the station authorization. In the case of involuntary assignment, the application should be filed within 10 days of the event causing the assignment. FCC Form 312, Main Form, and Schedule A shall also be used for non-substantial (*pro forma*) assignments.

(d) Transfer of control of corporation holding license. FCC Form 312, Main Form and Schedule A, shall be submitted in order to transfer voluntarily or involuntarily (*de jure* or *de facto*) control of a corporation holding any licenses. In the case of involuntary transfer of control, the applications should be filed within 10 days of the event causing the transfer of control. FCC Form 312, Main Form and

Schedule A shall also be used for non-substantial (*pro forma*) transfers of control.

* * * * *

(f) Assignments and transfers of control shall be completed within 60 days from the date of authorization. Within 30 days of consummation, the Commission shall be notified by letter of the date of consummation and the file numbers of the applications involved in the transaction.

8. In newly redesignated § 25.120, the last sentence of paragraph (a) is revised to read as follows:

§ 25.120 Application for special temporary authorization.

(a) * * * A copy of the request for special temporary authority also shall be forwarded to the Commission's Columbia Operations Center in Columbia, Maryland.

* * * * *

9. In newly redesignated § 25.121, paragraph (a) is revised to read as follows:

§ 25.121 License term and renewals.

(a) License term. Licenses for facilities governed by this part will be issued for a period of 10 years.

* * * * *

10. Section 25.130 is amended by revising paragraph (a) to read as follows:

§ 25.130 Filing requirements for transmitting earth stations.

(a) Application for a new or modified transmitting earth station facility shall be submitted on FCC Form 312, Main Form and Schedule B, accompanied by any required exhibits.

* * * * *

11. Section 25.131 is amended by revising paragraphs (a), (d), and (j) to read as follows:

§ 25.131 Filing requirements for receive-only earth stations.

(a) Except as provided in paragraphs (b) and (j) of this section, applications for a license for a receive-only earth station shall be submitted on FCC Form 312, Main Form and Schedule B, accompanied by any required exhibits.

* * * * *

(d) Applications for registration shall be filed on FCC Form 312, Main Form and Schedule B, accompanied by the coordination exhibit required by § 25.203, and any other required exhibits. Any application that is deficient or incomplete in any respect shall be immediately returned to the applicant without processing.

* * * * *

(j) Receive-only earth stations operating with INTELSAT space

stations, or U.S.-licensed and non-U.S. space stations for reception of services from other countries; shall file an FCC Form 312, Main Form and Schedule B, requesting a license for such station. Receive-only earth stations used to receive INTELNET I services from INTELSAT space stations need not file for licenses. See Derogation of Receive-Only Satellite Earth Stations Operating with the INTELSAT Global Communications Satellite System, Declaratory Ruling, RM No. 4845, FCC 86-214 (released May 19, 1986).

12. Section 25.134 is amended by revising the first sentences of paragraphs (a) and (b) and adding paragraph (d) to read as follows:

§ 25.134 Licensing Provisions of Very Small Aperture Terminal (VSAT) Networks.

(a) All applications for digital VSAT networks with a maximum outbound downlink EIRP density of +6.0 dBW/4 kHz per carrier and earth station antennas with maximum input power density of -14 dBW/4 kHz and maximum hub EIRP of 78.3 dBW will be processed routinely. * * *

(b) Each applicant for digital and/or analog VSAT network authorization proposing to use transmitted satellite carrier EIRP densities in excess of +6.0 dBW/4 kHz and +13.0 dBW/4 kHz, respectively, and/or maximum antenna input power densities of -14.0 dBW/4 kHz and maximum hub EIRPs of 78.3 dBW and -8.0 dBW/4 kHz per carrier, respectively, shall conduct an engineering analysis using the Sharp, Adjacent Satellite Interference Analysis (ASIA) program. * * *

* * * * *

(d) An application for VSAT authorization shall be filed on FCC Form 312, Main Form and Schedule B. A VSAT licensee applying to renew its license must include on FCC Form 405, the number of constructed VSAT units in its network.

13. Section 25.140 is revised to read as follows:

§ 25.140 Qualifications of fixed-satellite space station licensees.

(a) New fixed-satellites shall comply with the requirements established in Report and Order, CC Docket No. 81-704 (available at address in § 0.445 of this chapter.) Applications must also meet the requirements in paragraphs (b) through (d) of this section. The Commission may require additional or different information in the case of any individual application. Applications will be unacceptable for filing and will be returned to the applicant if they do not meet the requirements referred to in this paragraph.

(b) Each applicant for a space station authorization in the fixed-satellite service must demonstrate, on the basis of the documentation contained in its application, that it is legally, financially, technically, and otherwise qualified to proceed expeditiously with the construction, launch and/or operation of each proposed space station facility immediately upon grant of the requested authorization. Each applicant must provide the following information:

(1) The information specified in § 25.114;

(2) An interference analysis to demonstrate the compatibility of its proposed system 2 degrees from any authorized space station. An applicant should provide details of its proposed r.f. carriers which it believes should be taken into account in this analysis. At a minimum, the applicant must include, for each type of r.f. carrier, the link noise budget, modulation parameters, and overall link performance analysis. (See, e.g., appendices B and C to Licensing of Space Stations in the Domestic Fixed-Satellite Service (available at address in § 0.445 of this chapter));

(3) The estimated costs of proposed construction and/or launch, and any other initial expenses for the space station(s); and

(4) Estimated operating expenses for one year after launch of the proposed space station(s).

(c) Each application for authority to construct and/or launch and operate a space station shall demonstrate the applicant's current financial ability to meet the costs specified in paragraphs (b)(3) and (b)(4) of this section by submitting the following financial information verified by affidavit:

(1) A balance sheet current for the latest fiscal year and documentation of any financial commitments reflected in the balance sheet (such as, for example, loan agreements and service contracts) together with an exhibit demonstrating that the applicant has current assets and operating income sufficient to meet the costs specified in paragraphs (b)(3) and (b)(4) of this section. If the applicant is owned by more than one corporate parent, it must submit evidence of a commitment to the proposed satellite program by management of the corporate parent upon whom it is relying for financial resources;

(2) If the submissions of paragraph (c)(1) of this section do not reflect sufficient financial resources to meet the costs specified in paragraphs (b)(3) and (b)(4) of this section, the applicant shall submit additional information as listed below:

(i) The terms of any fully negotiated loan or other form of credit arrangement intended to be used to finance the proposed construction, acquisition, or operation of the requested facilities including such information as the identity of the creditor (or creditors), the amount committed, letters of commitment, detailed terms of the transaction, including the details of any contingencies, and a statement that the applicant complies with paragraph (d) of this section;

(ii) The terms of any fully negotiated sale or placement of any equity or other form of ownership interest, including the sale, or long-term lease for the lifetime of the satellite, of proposed satellite transponder capacity in the level of detail as specified in paragraph (c)(2)(i) of this section;

(iii) The terms of any grant or other external funding commitment intended to be used to finance the proposed construction, acquisition, or operation of the requested facilities, including such information as the identity of the grantor(s), the amount committed, letters of commitment, and detailed terms of the transaction, including the details of any contingencies; or

(iv) Any financing arrangements contingent on further performance by either party, such as marketing of satellite capacity or raising additional financing, will not be considered in evaluating an applicant's financial qualifications; and

(3) Whatever other information or details the Commission may require with regard to a specific application or applicant.

(d) Any loan or other credit arrangement providing for a chattel mortgage or secured interest in any proposed facility must include a provision for a minimum of ten (10) days prior written notification to the licensee or permittee, and to the Commission, before any such equipment may be repossessed under any default provision of the agreement.

(e) An applicant found to be qualified pursuant to this section may be initially assigned up to two orbital locations in each pair of frequency bands proposed. Authorizations to construct ground spares are at the applicant's risk that launch authorization will not be granted by the Commission.

(f) Each applicant found to be qualified pursuant to this section may be assigned no more than one additional orbital location beyond its current authorizations in each frequency band in which it is authorized to operate, provided that its in-orbit satellites are essentially filled and that it has no more than two unused orbital locations for

previously authorized but unlaunched satellites in that band.

(g) In the event that one or more applications satisfying the requirements of this section are ready for grant, any orbital location occupied by a satellite that is determined to be a part of a system that is not essentially filled may be cancelled and collocation of in-orbit satellites may be required. The Commission may take this action if, in so doing, it would allow the grant of pending applications that satisfy the requirements of this section. If a cancellation is made, the licensee will be afforded a period of 30 days to notify the Commission which of its assigned locations should be cancelled.

14. Section 25.141 is amended by revising paragraph (c) to read as follows:

§ 25.141 Licensing provisions for the radiodetermination satellite service.

* * * * *

(c) User transceivers. Individual user transceivers will not be licensed. Service vendors may file blanket applications for transceiver units using FCC Form 312, Main Form and Schedule B, and specifying the number of units to be covered by the blanket license. Each application must demonstrate that transceiver operations will not cause interference to other users of the spectrum.

* * * * *

15. Section 25.142 is amended by revising the introductory text of paragraph (c) to read as follows:

§ 25.142 Licensing provisions for the non-voice, non-geostationary mobile-satellite service.

* * * * *

(c) *Reporting requirements.* All operators of non-voice, non-geostationary mobile-satellite service systems shall, on June 30 of each year, file a report with the International Bureau and the Commission's Columbia Operations Center in Columbia, Maryland, containing the following information current as of May 31st of that year:

* * * * *

16. Section 25.143 is amended by revising paragraph (e)(1) to read as follows:

§ 25.143 Licensing provisions for the 1.6/2.4 GHz Mobile-Satellite Service.

* * * * *

(e) *Reporting requirements.* (1) All operators of 1.6/2.4 GHz mobile-satellite systems shall, on June 30 of each year, file with the International Bureau and the Commission's Columbia Operations Center, Columbia, Maryland, a report

containing the following information current as of May 31st of that year:

* * * * *

17. Section 25.155 is amended by revising paragraph (b) to read as follows:

§ 25.155 Mutually exclusive applications.

* * * * *

(b) A space station application will be entitled to comparative consideration with one or more conflicting applications only if:

- (1) The application is mutually exclusive with another application; and
- (2) The application is received by the Commission in a condition acceptable for filing by the "cut-off" date specified in a public notice.

18. Section 25.210 is amended by revising the introductory text of paragraph (j) and revising paragraph (j)(3), to read as follows:

§ 25.210 Technical requirements for space stations in the Fixed-Satellite Service.

* * * * *

(j) All operators of space stations shall, on June 30 of each year, file a report with the International Bureau and the Commission's Columbia Operations Center in Columbia, Maryland, containing the following information current as of May 31st of that year:

* * * * *

(3) A detailed description of the utilization made of each transponder on each of the in-orbit satellites. This description should identify the total capacity or the percentage of time each transponder is actually used for transmission, and the amount of unused system capacity in the transponder. This information is not required for those transponders that are sold on a non-common carrier basis. In that case, operators should indicate the number of transponders sold on each in-satellite orbit.

* * * * *

19. Section 25.211 is amended by revising the section heading and adding paragraph (d), to read as follows:

§ 25.211 Video Transmissions in the Fixed-Satellite Service.

* * * * *

(d) In the 6 GHz band, an earth station with an equivalent diameter of 9 meters or smaller may be routinely licensed for transmission of full transponder services if the maximum power into the antenna does not exceed 450 watts (26.5 dBW). In the 14 GHz band, an earth station with an equivalent diameter of 5 meters or smaller may be routinely licensed for transmission of full transponder services if the maximum power into the antenna does not exceed 500 watts (27 dBW).

20. Section 25.212 is amended by adding paragraphs (c) and (d), to read as follows:

§ 25.212 Narrowband transmissions in the Fixed-Satellite Service.

* * * * *

(c) In the 14 GHz band, an earth station with an equivalent diameter of 1.2 meters or greater may be routinely licensed for transmission of narrowband analog services with bandwidths up to 200 kHz if the maximum input power density into the antenna does not exceed -8 dBW/4 kHz and the maximum transmitted satellite carrier EIRP density does not exceed 13 dBW/4 kHz, and for transmission of narrowband and/or wideband digital services, if the maximum input power density into the antenna does not exceed -14 dBW/4 kHz and the maximum transmitted satellite carrier EIRP density does not exceed +6.0 dBW/kHz.

(d) In the 6 GHz band, an earth station with an equivalent diameter of 4.5 meters or greater may be routinely licensed for transmission of SCPC services if the maximum power densities into the antenna do not exceed +0.5 dBW/4 kHz for analog SCPC carriers with bandwidths up to 200 kHz, and do not exceed -2.7 dBW/4 kHz for narrow and/or wideband digital SCPC carriers.

21. Section 25.251 is revised to read as follows:

§ 25.251 Special requirements for coordination.

(a) The administrative aspects of the coordination process are set forth in §§ 21.100(d) and 21.706 (c) and (d) of this chapter in the case of coordination of terrestrial stations with earth stations, and in § 25.203 in the case of coordination of earth stations with terrestrial stations.

(b) The technical aspects of coordination are based on Appendix 28 of the International Telecommunications Union Radio Regulations and certain recommendations of the ITU Radiocommunication Sector ("ITU-R") (available at the International Bureau Reference Center, Room 102, 2000 M Street, NW., Washington, DC 20554.).

§§ 25.252 through 25.256 [Removed]

22. Sections 25.252 through 25.256 are removed.

23. Section 25.272 is amended by revising the first sentence of paragraph (b) to read as follows:

§ 25.272 General inter-system coordination procedures.

* * * * *

(b) Each space station licensee shall maintain on file with the Commission and with its Columbia Operations Center in Columbia, Maryland a current listing of the names, titles, addresses and telephone numbers of the points of contact for resolution of interference problems.

* * * * *

24. Section 25.274 is amended by revising the first sentence of paragraph (f) to read as follows:

§ 25.274 Procedures to be followed in the event of harmful interference.

* * * * *

(f) At any point, the system control center operator may contact the Commission's Columbia Operations Center in Columbia, Maryland to assist in resolving the matter.

* * * * *

25. Section 25.277 is amended by revising the introductory text of paragraph (c) to read as follows:

§ 25.277 Temporary fixed earth station operations.

* * * * *

(c) The licensee of an earth station which is authorized to conduct temporary fixed operations in bands shared co-equally with terrestrial fixed stations shall provide the following information to the Director of the Columbia Operations Center at 9200 Farmhouse Lane, Columbia, Maryland 21046 and to the licensees of all terrestrial facilities lying within the coordination contour of the proposed temporary fixed earth station site before beginning transmissions:

* * * * *

26. A new Section 25.280 is added to subpart D to read as follows:

§ 25.280 Inclined orbit operations.

(a) Satellite operators may commence operation in inclined orbit mode without obtaining prior Commission authorization provided that the Commission is notified by letter within 30 days after operators commence. The notification shall include:

- (1) The operator's name;
- (2) The date of commencement of inclined orbit operation;
- (3) The initial inclination;
- (4) The rate of change in inclination per year; and
- (5) The expected end-of-life of the satellite accounting for inclined orbit operation.

(b) Licensees operating in inclined-orbit are required to:

- (1) Periodically correct the satellite altitude to achieve a stationary spacecraft antenna pattern on the surface of the Earth and centered on the satellite's designated service area;

(2) Control all interference to adjacent satellites, as a result of operating in an inclined orbit, to levels not to exceed that which would be caused by the satellite network operating without an inclined orbit;

(3) Not claim protection in excess of the protection that would be received by the satellite network operating without an inclined orbit; and

(4) Continue to maintain the space station at the authorized longitude orbital location in the geostationary satellite arc with the appropriate east-west station-keeping tolerance.

§ 25.308 [Redesignated as § 25.281]

27. Section 25.308 is redesignated as § 25.281 and transferred to subpart D.

Subpart E—[Removed and Reserved]

28. Subpart E is removed and reserved.

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