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DUPLICATE

GTE Spacenet  
Corporation

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July 2, 1992

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Attn: Cecily C. Holiday  
Chief, Satellite Radio Branch

Re: GTE Spacenet Corporation's Application For Replacement Satellites

Dear Ms. Searcy:

On September 27, 1990, GTE Spacenet Corporation ("GTE Spacenet") filed an Application with the Commission for replacement satellites for its SPACENET I, SPACENET II and GSTAR II satellites.<sup>1</sup> Although GTE Spacenet already held replacement authorizations for the two SPACENET satellites, as well as one GSTAR satellite<sup>2</sup> at the time it filed its 1990 Replacement Application, those previous authorizations were subject to revocation by the FCC due to the fact that GTE Spacenet had not met the construction commencement milestone dates set forth in GTE Spacenet's 1988 Authorization Order.

GTE Spacenet did not meet these construction milestone dates because it was not necessary for it to begin to construct its replacement satellites as early as the FCC's 1988 Authorization Order specified. Extended in-orbit lives (beyond that initially expected) of GTE Spacenet's operational satellites,<sup>3</sup> as well as the merger with Contel ASC<sup>4</sup> which

<sup>1</sup> GTE Spacenet Corporation, Application For Authority To Construct Replacement Communications Satellites, September 27, 1990, (hereinafter, "1990 Replacement Application").

<sup>2</sup> GTE Spacenet Corporation, Order and Authorization, 3 FCC Rcd 6986 (1988), (hereinafter "1988 Authorization Order").

<sup>3</sup> For example both SPACENET I at 120°W.L. and SPACENET II at 69°W.L. are currently projected to have in-orbit life until well into 1997.

<sup>4</sup> 6 FCC Rcd. 1003 (1991).

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increased GTE Spacenet's in-orbit satellite capacity, has allowed GTE Spacenet to postpone the construction of its replacement satellites until a later date.

Because the FCC's policies and rules do not provide for extensions of domestic satellite construction commencement dates for economic or business reasons which are within a licensee's control,<sup>5</sup> GTE Spacenet's only alternative at the time the construction milestone dates specified in its 1988 Authorization Order passed was to file a new replacement application to give notice that GTE Spacenet fully intended to replace its existing capacity at such time that the in-orbit capacity approached its end-of-life. Hence, GTE Spacenet filed the 1990 Replacement Application, but sought construction-only authority because, at that time, it was quite likely that launch of these replacement satellites would not occur within the Commission's five-year launch window.<sup>6</sup> GTE Spacenet believed at the time that it filed its 1990 Replacement Application that the Commission would process replacement satellite applications for construction-only authority with the request for launch authority to follow closer to the anticipated in-orbit expiration date of the satellites being replaced. By the time GTE Spacenet learned that the Commission would not consider a replacement satellite application unless it included launch authority, additional factors had impacted the timing and means for satisfying GTE Spacenet's replacement needs for the near future. Because these factors involve more than just a modification of the dates specified in the 1990 Replacement Application, an amendment to that application would not be appropriate. As a result, since the Commission has not yet placed the 1990 Replacement Application on Public Notice because it was waiting for the specifics regarding GTE Spacenet's launch plans, GTE Spacenet is hereby withdrawing that Application.

Withdrawing this Application, however, in no way signifies that GTE Spacenet does not plan to replace its satellites when they reach the end of their in-orbit life.<sup>7</sup> Rapid changes in technological developments related to satellite design are occurring at this time, and it is prudent for a satellite licensee to delay committing to a spacecraft construction contract as long as possible to take advantage of the most currently available technology and to avoid incurring additional costs to incorporate the newest changes into a partially constructed spacecraft. This, coupled with the shortened delivery cycle of approximately two years now

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<sup>5</sup> See e.g. 2 FCC Rcd 233, 62 Rad. Reg. 2nd at 72.

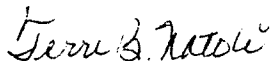
<sup>6</sup> 58 Rad. Reg. 2d (P&F) 1267.

<sup>7</sup> In fact, GTE Spacenet has filed an application for modification of the orbital assignments for its GSTAR II and GSTAR IV satellites to effect an exchange of those orbital locations so that GTE Spacenet's newest Ku-Band satellite, GSTAR IV, can be relocated to 105°W.L. to provide continuous service to GTE Spacenet's network customers at 105°W.L. through the year 2004. See, GTE Spacenet's Application for Modification of the Orbital Assignments for GSTAR II and GSTAR IV, filed July 2, 1992.

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promised by spacecraft manufacturers (versus the prior three to four year cycles), gives licensees the ability to postpone replacement construction commencement until much closer to the anticipated expiration of an in-orbit satellite's life. Since SPACENET I and SPACENET II, which are currently assigned to and operating at 120°W.L. and 69°W.L. respectively,<sup>8</sup> will not reach their end-of-life until mid-to-late 1997, GTE Spacenet has sufficient time to obtain construction replacement authority prior to that time. Moreover, the possibility exists that GTE Spacenet may find it more desirable to acquire a newly constructed spacecraft of another entity to meet its replacement needs. GTE Spacenet notes, however, that due to the 1988 Trilateral Agreement<sup>9</sup> with Mexico and Canada, when GTE Spacenet replaces SPACENET I it will have to locate its replacement capacity at 103°W.L. because 120°W.L. will no longer be a U.S. hybrid location. GTE Spacenet fully plans to utilize the SPACENET I replacement location of 103°W.L. and expects that the fact that it currently has no pending construction replacement authority for that location (due only to the fact that SPACENET I does not need to be replaced until at least 1997) will not prejudice GTE Spacenet's ability to put replacement capacity at 103°W.L. (or any of its other currently occupied locations) when it becomes necessary to replace its existing satellites.

Sincerely,



Terri B. Natoli

TBN:kc

cc: Fern Jarmulnek

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<sup>8</sup> 5 FCC Rcd 179 (1990).

<sup>9</sup> See exchange of letters: Gerald P. Vaughan, FCC., to Mexican Director General Jose Longoria, August 3, 1988; K. T. Hepburn, Canadian Department of Communications to Gerald Brock, F.C.C., August 12, 1988; and Jose Longoria, Mexican Director General to Gerald P. Vaughan, F.C.C., August 15, 1988. See also, FCC's Public Notice regarding Finalization of a U.S./Canadian/Mexican Trilateral Agreement, FCC mimeo Number 4406, September 2, 1988.