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FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEB 09 1990

Domestic Facilities Division  
Satellite Radio Branch

|                                    |   |          |
|------------------------------------|---|----------|
| In the Matter of Application of    | ) |          |
|                                    | ) |          |
| GE AMERICAN COMMUNICATIONS, INC.   | ) |          |
|                                    | ) | File No. |
| For Authority to Construct, Launch | ) |          |
| and Operate a C-Band Satellite     | ) |          |
| (Satcom IR)                        | ) |          |

APPLICATION FOR MODIFICATION OF LICENSE

GE American Communications, Inc. (GE Americom) hereby requests a modification of the license for its Satcom IR satellite to permit GE Americom to provide service on a noncommon carrier basis on up to 24 transponders on the satellite as described below.

GE Americom's Satcom IR satellite was launched in April, 1983. The satellite is equipped with 24 transponders, each with 36 MHz of bandwidth. All transponders have 8.5 watt solid state power amplifiers.

In the past, the Satcom IR satellite was used to provide various services to customers who were reasonably well-served by having those services covered by tariff. Currently, and to an increasing extent, Satcom IR is primarily used to provide video services to cable television programmers, particularly regional sports networks. These customers are large, sophisticated entities which do not require the protection from undue discrimination afforded by a tariff regime, and which

in fact want and insist upon the ability to obtain customized, flexible service arrangements. This is especially important to these customers because they are competing with other cable programmers which have negotiated such arrangements on other non-tariffed satellites, such as GE Americom's Satcom IIIIR and satellites operated by Hughes Galaxy Communications. None of the services on the satellites of Hughes, which is a major competitor of GE Americom, are subject to tariff. GE Americom can best meet the market demand of our customers and the competitive challenge of our competitors through provision of noncommon carrier services on the Satcom IR transponders covered by this application.

GE Americom will continue to offer tariffed common carrier service on Satcom IR to our current customers who may wish to continue to receive such service. We plan to continue to provide service to these customers pursuant to existing tariff provisions. Certain potential or current customers will, however, prefer to take service on the satellite under long-term service agreements negotiated on an individual basis. Provision of service on a long-term noncommon carrier arrangement can, as the Commission has noted, "provide a device to share the risks unique to satellite technology and a method for licensees to determine with some precision the future demands for

satellite services."\* The long-term noncommon carrier contracts which GE Americom envisions would permit the sharing of the risk as well as ensure the future viability of the spacecraft.

These service agreements will assure GE Americom full usage and revenue from the satellite during the term of the agreements. This will assist in obtaining the necessary return of the large amount of capital required to operate a satellite system, including the funds needed for continued satellite investment in the future.

The demand for tariffed satellite service is shrinking. Most customers prefer the flexibility afforded by non-tariffed contractual arrangements. We do not believe therefore that the long-term noncommon carrier agreements proposed in this application will have an adverse effect on the availability of GE Americom's common carrier services. Moreover, as a result of numerous Commission authorizations for the construction and launch of new satellites, the supply of satellite capacity currently exceeds demand.

In conclusion, the proposed long-term service arrangement meets the Commission's requirements for approval of noncommon carrier satellite offerings. The arrangement will assist in assuring both the continued

\* Domestic Fixed-Satellite Transponder Sales, 90 FCC 2d 1238 (1982) at p.1251.

success of GE Americom's satellite operations as well as the flexible provision of services to the American public. At the same time, the provision of noncommon carrier services on the Satcom IR satellite will not adversely affect the availability on a common carrier basis of satellite capacity.

We therefore urge the Commission to approve our request to provide service on up to twenty-four transponders on the Satcom IR satellite on a noncommon carrier basis.

Respectfully submitted,

GE AMERICAN COMMUNICATIONS, INC.

/s/ W. Neil Bauer  
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January 30, 1990

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