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Contel Corporation
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Federal Communications Commission
Office of the Secretary

CONTEL

May 15, 1990

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Domestic Facilities Division
Satellite Radio Branch

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

Re: Application for Modification of Construction
Permit and License for the ASC-2 Satellite

Attn: Cecily Holiday
2025 M Street, N.W.
Suite 6324

35-DSS-MISC-90

Dear Ms. Searcy:

Today American Satellite Company d/b/a Contel ASC ("Contel ASC"), is filing an application for authority to modify the construction permit and license granted to Contel ASC by the Commission¹ for the satellite known as ASC-2. The purpose of this letter is to request a waiver pursuant to Section 319(d) of the Communications Act so that Contel ASC may spend up to \$350,000 towards implementing the proposed modification.

As discussed in the application, Contel ASC proposes to modify the C-band coverage pattern of the satellite so that service can be provided to Hawaii on both polarizations. The total cost of this modification is approximately \$638,000. Contel ASC's spacecraft manufacturer, GE Astro Electronics, Inc. ("GE Astro"), has advised Contel ASC that the proposed modification can be accomplished without affecting the launch date of ASC-2. Contel ASC is committed to have ASC-2 on orbit and in service by its required launch date of June, 1991.² However, GE Astro has further advised Contel ASC that construction must commence immediately if the launch of ASC-2 is to stay on track.

¹American Satellite Company, 94 F.C.C. 2d 39 (1983).

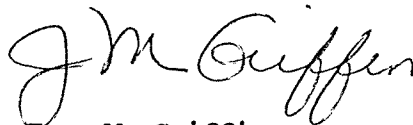
²See letter from Chief, Domestic Facilities Division to Counsel, Contel ASC, dated December 29, 1987 in File No. 765-DSS-MP-ML-88, which established June, 1991 as the required launch date for ASC-2.

As demonstrated in the application, grant of the request made therein will provide tangible benefits to Contel ASC's customers and the public. Having the ability to provide Hawaii service on additional ASC-2 transponders will greatly facilitate the transition to ASC-2 of those services that Contel ASC presently provides on Westar IV. This will mean less likelihood of service disruptions for Contel ASC's Westar IV customers. The proposed modification will also serve the greater public good by permitting the more efficient use of the orbital location to which ASC-2 has been assigned. Since the public interest will be served if Contel ASC is allowed to modify ASC-2 as proposed, and work on this modification must start now if ASC-2 is to be launched on schedule, Contel ASC believes that grant of this waiver request will serve the public interest.

Contel ASC realizes that grant of the requested waiver would be without prejudice to any future Commission action on Contel ASC's application. In the event that the application is not granted, the expenditures made pursuant to the waiver would not be included in any rate base or charged to expense for rate purposes. Contel ASC notes that the Commission has previously granted waivers to Contel ASC to commit funds³ up to \$45.2 million toward the construction of the ASC satellites.

Please address all correspondence concerning this request to the undersigned (direct dial: 383-8704).

Sincerely,



Joan M. Griffin
Its Attorney

JMG/aew

³See letters from Chief, Domestic Facilities Division to Counsel, Contel ASC, dated June 10, 1982 and April 18, 1983 in File Nos. 521/522-DSS-P/LA-82 and 523-DSS-P-82 (\$43.7 million towards initial construction) and dated July 24, 1989 in File No. 1801-DSS-MP/ML-89 (\$1.5 million towards satellite modifications).