



Judy Sello  
Senior Attorney

Room 3245G1  
295 North Maple Avenue  
Basking Ridge, NJ 07920  
908 221-8984

October 6, 1994

BY HAND

Federal Communications Commission  
c/o Mellon Bank  
Three Mellon Bank Center  
525 William Penn Way  
27th Floor, Room 153-2713  
Pittsburgh, PA 15259-0001  
(Attention: Wholesale Lockbox  
Shift Supervisor)

RECEIVED  
OCT 18 1994  
DOMESTIC FACILITIES DIVISION  
SATELLITE RADIO BRANCH

3-DSS-MP-95

Re: AT&T Application to Extend License Milestone Date

Gentlemen:

Enclosed for filing are the original and four (4) copies of the Application of AT&T Corp. to Extend the License Milestone Date for completion of construction of the TELSTAR 403 satellite, hereinafter to be known as TELSTAR 402R. FCC Forms 155 and 701, together with a check in the amount of \$575.00 filing fee, are also enclosed.

The actual filing address is:

Federal Communications Commission  
Common Carrier Domestic Satellites  
P. O. Box 358160  
Pittsburgh, PA 15251-5160

Please file stamp the extra copy of the Application and return it to the party hand delivering the filing.

Sincerely,

*Judy Sello*

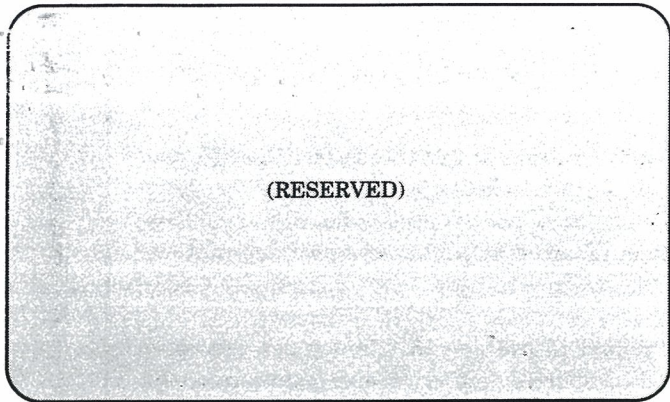
Enclosures

cc: William F. Caton, Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION  
**FCC REMITTANCE ADVICE**

Approved by OMB  
 3060-0589  
 Expires 2/28/97

PAGE NO. 1 OF 1



(RESERVED)

(Read instructions carefully BEFORE proceeding.)

SPECIAL USE

**FCC/MELLON OCT 07 1994**

FCC USE ONLY

**PAYOR INFORMATION**

(1) FCC ACCOUNT NUMBER: 0134924710 Did you have a number prior to this? Enter it. (2) TOTAL AMOUNT PAID (dollars and cents) \$ 575.00

(3) PAYOR NAME (If paying by credit card, enter name exactly as it appears on your card)  
**AT&T Corp.**

(4) STREET ADDRESS LINE NO. 1  
**900 Route 202/206, P.O. Box 752**

(5) STREET ADDRESS LINE NO. 2

(6) CITY **Bedminster** (7) STATE **NJ** (8) ZIP CODE **07921-0752**

(9) DAYTIME TELEPHONE NUMBER (Include area code) **(908) 234-7219** (10) COUNTRY CODE (if not U.S.A.)

**ITEM #1 INFORMATION**

(11A) NAME OF APPLICANT, LICENSEE, REGULATEE, OR DEBTOR FCC USE ONLY

(12A) FCC CALL SIGN/OTHER ID **6030-DSS-P-87** (13A) ZIP CODE (14A) PAYMENT TYPE CODE **C R Y** (15A) QUANTITY **1** (16A) FEE DUE FOR PAYMENT TYPE CODE IN BLOCK 14 \$ **575.00**

(17A) FCC CODE 1 (18A) FCC CODE 2

(19A) ADDRESS LINE NO. 1 (20A) ADDRESS LINE NO. 2 (21A) CITY/STATE OR COUNTRY CODE

**ITEM #2 INFORMATION**

(11B) NAME OF APPLICANT, LICENSEE, REGULATEE, OR DEBTOR FCC USE ONLY

(12B) FCC CALL SIGN/OTHER ID (13B) ZIP CODE (14B) PAYMENT TYPE CODE (15B) QUANTITY (16B) FEE DUE FOR PAYMENT TYPE CODE IN BLOCK 14 \$

(17B) FCC CODE 1 (18B) FCC CODE 2

(19B) ADDRESS LINE NO. 1 (20B) ADDRESS LINE NO. 2 (21B) CITY/STATE OR COUNTRY CODE

**CREDIT CARD PAYMENT INFORMATION**

(22) MASTERCARD/VISA ACCOUNT NUMBER:  Mastercard  Visa

EXPIRATION DATE:  /  /  /   
 Month Year

(23) I hereby authorize the FCC to charge my VISA or Mastercard for the service(s)/authorization(s) herein describe.

AUTHORIZED SIGNATURE DATE

FCC 701

FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

Approved by OMB  
3060-0012  
Expires 03/31/94  
See reverse side for information  
regarding public burden estimate.

FCC USE ONLY

### APPLICATION FOR ADDITIONAL TIME TO CONSTRUCT A RADIO STATION

(Under 47 CFR Parts 21, 23 and 25)

READ INSTRUCTIONS AND NOTICE ON BACK BEFORE COMPLETING

File Number

1. Legal Name of Applicant (if person list last name first)

AT&T Corp.

Mailing Street Address or P.O. Box, City, State and ZIP Code

900 Routes 202/206, P.O. Box 752  
Bedminster, New Jersey 07921-0752

Call Sign or Other  
FCC Identifier

(Area Code) Telephone No.

(908) 234-7219

2. Fee Data. Refer to 47 CFR Section 1.1105 or Common Carrier Services Fee Filing Guide for Information.

FCC Use Only

(a) Fee Type Code  
CRY

(b) Fee Multiple (if required)

(c) Fee Due for Fee Type Code in 2(a)  
\$575.00

3. Identification of Outstanding Construction Authorization

(a) File Number

6030-DSS-P-87

(b) Call Sign

(c) Frequency

(d) Station Location

4(a) Has equipment been delivered?

YES

NO

If "NO," answer items  
(1) - (3)

(1) From Whom Ordered (if no order has been  
placed, so indicate)

Martin Marietta, Astro  
Space

(2) Date Ordered

See Attached

(3) Date Delivery Promised  
pleading

(b) Has installation commenced?

YES

NO

If "YES," submit as Exhibit \_\_\_\_\_  
a description of the extent of installation  
and the date installation commenced.

(c) Estimated date by which construction will be  
completed

See attached pleading

5. Submit as Exhibit \_\_\_\_\_ reason(s) why  
construction has not been completed.

6. If this is a Domestic Public Fixed Radio Service (Part 21) station, submit as Exhibit \_\_\_\_\_ a description of actions taken to  
construct station, including dates.

7. Are the representations contained in the application for construction authorization still true and correct?

YES

NO

If "NO," give particulars in Exhibit Except as stated in attached pleading

#### 8. CERTIFICATION

The applicant hereby waives any claim to the use of any particular frequency or electromagnetic spectrum as against the regulatory  
power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authoriza-  
tion in accordance with this application. (See Section 304 of the Communications Act of 1934, as amended).

The applicant represents that this application is not filed for the purpose of impeding, obstructing, or delaying determination on any  
other application with which it may be in conflict.

The applicant acknowledges that all statements made in this application and attached exhibits are considered material representations,  
and that all the exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The undersigned certifies that the statements in this application are true, complete and correct to the best of his/her  
knowledge and belief, and are made in good faith.

Date 10/6/94

Legal Name of Applicant

AT&T Corp.

Signature

Title of Person Signing  
SKYNET Satellite  
Services Director

Willful False Statements Made on this Form are Punishable by Fine and Imprisonment (U.S. Code,  
Title 18, Section 1001) and/or Revocation of any Station License or Construction Authorization (U.S.  
Code, Title 47, Section 312(a)), and/or Forfeiture (U.S. Code, Title 47, Section 503).

Exhibits furnished as required by this form:

Exhibit No.  
See attached  
pleading

Name of officer or employee (1) by whom or (2)  
under whose direction exhibit was prepared (show which)

Karl R. Savatiel

Official Title  
SKYNET Satellite  
Services Director

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of the Application of )  
AT&T CORP. ) File No.  
For Authority to Construct, Launch and ) 6030-DSS-P-87  
Operate Space Stations in the Domestic )  
Fixed-Satellite Service )  
)

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AT&T APPLICATION TO EXTEND LICENSE MILESTONE DATE

Pursuant to Sections 214, 308, 309 and 319 of the Communications Act of 1934 as amended, 47 U.S.C. §§ 214, 308, 309 and 319, AT&T Corp. ("AT&T") hereby requests modification of the license for its TELSTAR 403 satellite to extend by nine months the "milestone" date to complete construction of the satellite, from October 1994 to June 1995.<sup>1</sup> TELSTAR 403, which was constructed as a ground spare, will be used as a replacement for the failed TELSTAR 402 satellite and, accordingly, will hereinafter be designated "TELSTAR 402R."<sup>2</sup>

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<sup>1</sup> The current construction milestone was established in American Telephone and Telegraph Company, 8 FCC Rcd. 4913 (1993).

<sup>2</sup> As soon as AT&T is assured of a completion date for TELSTAR 402R and has a firm launch date, it will apply for emergency launch authority for TELSTAR 402R.

This extension is necessary due to the unanticipated catastrophic failure of AT&T's TELSTAR 402 satellite on September 8, 1994 immediately following launch.<sup>3</sup> Because AT&T's TELSTAR 4 series satellites all share a common design plan and the cause of the TELSTAR 402 accident has yet to be determined, an investigation team has been commissioned and is currently working to determine the cause of the failure, to develop corrective measures, and to test and implement them in the replacement spacecraft. Detailed reviews by AT&T and Martin Marietta Astro Space, the manufacturer of the spacecraft, are essential to ensure that TELSTAR 402R will not have any design weaknesses that may have caused the loss of TELSTAR 402. The investigation and retesting, triggered by events beyond AT&T's control, are necessary to ensure the reliability of AT&T's TELSTAR 402R satellite and will result in an unavoidable delay in the delivery of the spacecraft.<sup>4</sup>

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<sup>3</sup> Had TELSTAR 402 been successfully deployed, AT&T planned to launch TELSTAR 403 as a third in-orbit TELSTAR 4 satellite. See Application of AT&T Corp. for Authority to Launch and Operate TELSTAR 403 in the Domestic Fixed-Satellite Service, filed July 14, 1994. In that Application (pp. 58-59), AT&T had requested an extension of the TELSTAR 403 construction milestone from October 1994 to January 1995, to accommodate delays related to receipt of a shipment of faulty battery cells and incorporation of certain transfer orbit enhancements.

<sup>4</sup> The licenses for the TELSTAR 4 satellites were issued in American Telephone and Telegraph Company, 3 FCC Rcd. 6980 (1988), which granted AT&T authority to construct all

AT&T's request for the extension sought herein is fully consistent with the Commission's criteria for extension of milestone dates. The rationale underlying the Commission's policy of requiring adherence to the milestone schedule is to "prevent orbital locations from being 'warehoused' by licensees who have not yet decided whether to proceed with their plans."<sup>5</sup> In this case, AT&T is fully committed to implementation of its TELSTAR 4 satellite system. TELSTAR 401 was timely launched on December 15, 1993 and was successfully placed in-service at its assigned orbital location, 97° W.L., on February 1, 1994. Had TELSTAR 402 not failed, it would be in orbit now and undergoing tests prior to its scheduled November 1, 1994 in-service date. Moreover, the failed TELSTAR 402 was fully committed for use by a variety of video programmers (including a major television network), all of whom need

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(footnote continued from previous page)

three, and launch and operate the first two, space stations in the domestic fixed-satellite service. AT&T's TELSTAR 401 and 402 satellites represent replacements of the TELSTAR 301 and 302 satellites. Construction of the TELSTAR 4 series satellites was timely commenced in July 1989. See Affidavit of Jeffrey M. Friedman dated March 1, 1990, attached to Letter from Leonard J. Monize (AT&T) to James R. Keegan (Chief, FCC Domestic Facilities Division), dated March 2, 1990.

<sup>5</sup> MCI Communications Corporation, 2 FCC Rcd. 233, ¶ 5 (1987).

full transponder services/capacity, and was further required in support of AT&T's satellite-based data network and part-time video services.

Thus, there is no question that AT&T will proceed with its satellite plans and deploy TELSTAR 402R, and the delay requested does not amount to warehousing orbital locations to the detriment of other satellite operators. Rather, the extension permits AT&T to accommodate appropriate time for testing and corrective actions to ensure reliable, high quality service to customers, thus serving the public interest. In similar situations where, as here, warehousing was not an issue, the Commission has granted licensees much longer delays.<sup>6</sup>

In keeping with its overall policy, the Commission has traditionally granted requests for milestone extensions "when delay in implementation is due to circumstances beyond

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<sup>6</sup> For example, CONTEL's ASC-2 satellite was granted a four-year launch delay (from 1987 to 1991) when the licensee had difficulty contracting for launch services, after the satellite was constructed. See Letter from James R. Keegan (Chief, Domestic Facilities Division) to Joan M. Griffin (CONTEL ASC), dated December 29, 1987, concerning File No. 765-DSS-MP/ML-88. And, GE Americom was granted a 2 1/2 year extension for its Satcom H-1 satellite when it decided to use that satellite as a replacement for two existing single-band satellites, rather than as an addition to its system. See GE American Communications, Inc., 7 FCC Rcd. 5169 (1992).

the control of the licensee."<sup>7</sup> In this case, the requested extension was caused by technical problems which were beyond AT&T's control and which will require additional work (and result in associated delay) in the construction process.

AT&T provided its best projection of construction completion dates when it filed its current milestone schedule; the delay now requested is modest under the circumstances. It represents the best balance of vigorous schedule management in the face of unexpected technical problems and commitment to quality service that can only be ensured by stringent testing of all facility components.

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<sup>7</sup> MCI Communications Corporation, supra, 2 FCC Rcd. 233, ¶ 5.



CONCLUSION

For the reasons stated above, the Commission should authorize a modification of AT&T's license to extend the milestone date as requested. Specifically, the authorization for the TELSTAR 402R satellite should be modified as follows:

Complete Construction

TELSTAR 402R  
(formerly TELSTAR 403)

June 1995

Respectfully submitted,

AT&T CORP.

By



Karl R. Savatier  
SKYNET® Satellite Services Director  
900 Routes 202/206  
Room 4A115  
Bedminster, New Jersey 07921-0752  
(908) 234-7219

October 6, 1994

VERIFICATION

COUNTY OF SOMERSET            )  
                                          )            SS:  
STATE OF NEW JERSEY         )

KARL R. SAVATIEL, being duly sworn, deposes and says:

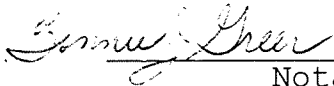
1. I am the SKYNET<sup>®</sup> Satellite Services Director for AT&T Corp.

2. I have read the foregoing AT&T Application To Extend License Milestone Date for the TELSTAR 402R satellite (formerly known as TELSTAR 403). The facts and statements made therein are true and correct, to the best of my knowledge and belief. I am familiar with the matter stated therein as a result of my employment responsibilities.



\_\_\_\_\_  
Karl R. Savatiel

Subscribed and sworn  
before me this 6th day  
of October, 1994.



\_\_\_\_\_  
Notary Public

**BONNIE J. GREER**  
**NOTARY PUBLIC OF NEW JERSEY**  
**My Commission Expires June 5, 1995**