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March 15, 1990

BY MESSENGER

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

RECEIVED

MAR 20 1990

Domestic Products Division
Satellite Radio Branch

RECEIVED

MAR 15 1990

Federal Communications Commission
Office of the Secretary

Re: Hughes Communications Galaxy, Inc.
Request for Section 319(d) Waiver

24-DSS-MISC-90

Dear Ms. Searcy:

On behalf of Hughes Communications Galaxy, Inc. ("HCG"), enclosed is a request that the Commission grant a waiver pursuant to Section 319(d) of the Communications Act permitting HCG to expend up to \$30 million at its own risk during the next 12 months to construct the Galaxy VII(H) satellite for which HCG has recently applied. If there are any questions in connection with this request, please call me.

Very truly yours,
James F. Rogers

James F. Rogers
of LATHAM & WATKINS

Enclosure

cc (w/enc.): James R. Keegan
Cecily C. Holiday
Fern J. Jarmulnek

March 15, 1990

RECEIVED

MAR 15 1990

Federal Communications Commission
Office of the Secretary

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

Attention: Satellite Radio Branch

Re: Section 319(d) Waiver for Hughes Communications Galaxy, Inc. to begin Construction of a Hybrid Domestic Communications Satellite, to be Known as Galaxy VII(H), to Serve as a Replacement for SBS-4 and as a Substitute for Galaxy VI

Dear Ms. Searcy:

Hughes Communications Galaxy, Inc. ("HCG"), in conjunction with Satellite Transponder Leasing Corporation ("STLC"), has recently filed an application (the "Application") for authority to construct a hybrid C/Ku band satellite, to be known as Galaxy VII(H), to serve as a replacement for STLC's SBS-4 satellite and a substitute for HCG's Galaxy VI satellite. The Commission has recently granted HCG's and STLC's application for consent to transfer control of STLC to HCG. File Nos. 1838-DSS-TC-89, et al. Upon that transfer, HCG will control the SBS-4 satellite and its proposed replacement.

The purpose of this letter is to request a waiver, pursuant to Section 319(d) of the Communications Act, 47 U.S.C. § 319(d), so that HCG may spend up to thirty million dollars during the next twelve months to construct Galaxy VII(H).

HCG explains in the Application how the proposed Galaxy VII(H) satellite will become an important element in HCG's Galaxy system of domestic satellites. Galaxy VII(H) is a response to customer demands. Only recently has technology been developed that allows the construction of hybrid satellites that provide full frequency re-use in each band, without any decrease in the power levels now standard on single-band satellites. The proposed hybrid incorporates this state-of-the-art satellite technology to better meet customer needs into the next century.

In order to meet these needs, however, it is imperative that HCG order construction of Galaxy VII(H) to begin as soon as possible. The grant of this waiver is necessary to avoid delay in the timely availability of satellite services should the Commission grant the Application. Such delay would hinder HCG's business plans and restrict HCG's ability to provide services to the public.

Ms. Donna Searcy
March 15, 1990
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Moreover, HCG has recently been granted Section 319(d) waivers to commence construction of its proposed Galaxy IV(H) hybrid satellite and its proposed hybrid Ground Spare. See Letter from Chief, Domestic Facilities Division to HCG dated January 8, 1990 (Galaxy IV(H)); Letter from Chief, Domestic Facilities Division to HCG dated February 9, 1990 (Ground Spare). The technical specifications of each of those satellites are identical to those of the Galaxy VII(H) satellite. Grant of this requested Section 319(d) waiver will therefore permit HCG to coordinate the procurement of various long lead-time items and realize certain economies of scale with respect to all three of these satellites.

Significantly, no new orbital locations are needed for the proposed Galaxy VII(H) satellite and no other satellite operators will be disrupted by the construction of this satellite. Galaxy VII(H) will, however, afford significant savings compared with operating two single-band satellites at the same 91° W.L. location.

HCG acknowledges that the grant of this Section 319(d) waiver will be without prejudice to any further action by the Commission on the pending Application, and that any expenditures will be made at HCG's risk.

Accordingly, HCG respectfully requests that the Commission grant a Section 319(d) waiver to permit HCG to expend up to thirty million dollars on the proposed Galaxy VII(H) satellite during the next twelve months.

Respectfully submitted,

HUGHES COMMUNICATIONS GALAXY, INC.

By:


Eddy W. Hartenstein
Senior Vice President