

LAW OFFICES
GOLDBERG, GODLES, WIENER & WRIGHT
1229 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036-2413

COPY

HENRY GOLDBERG
JOSEPH A. GODLES
JONATHAN L. WIENER
BRITA D. STRANDBERG
LAURA A. STEFANI
HENRIETTA WRIGHT
THOMAS G. GHERARDI, P.C.
COUNSEL

(202) 429-4900
TELECOPIER:
(202) 429-4912

RECEIVED

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e-mail:
general@g2w2.com
website: www.g2w2.com

Federal Communications Commission
Office of Secretary

August 19, 2004

Received
AUG 25 2004
Policy Branch
International Bureau

BY HAND DELIVERY

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, DC 20554

Re: Notification of Change in Ownership of Horizons I
File Nos. SAT-PDR-20030210-00015 & SAT-PPL-20040112-00004

Dear Ms. Dortch:

Horizons Satellite LLC ("Horizons LLC"), pursuant to the *Satellite Licensing Streamlining Order*¹ and Section 25.137(g)² of the Commission's rules, hereby notifies the Commission of a change in *de facto* control of PanAmSat Corporation ("PanAmSat"), one of Horizons' two members. Horizons LLC is a 50/50 joint venture between PanAmSat and JSAT International, Inc. ("JSAT"), a subsidiary of JSAT Corporation.

¹ *Amendment of the Commission's Space Station Licensing Rules and Policies, First Report and Order and Further Notice of Proposed Rulemaking*, 18 FCC Rcd 10760 (2003).

² 47 C.F.R. § 25.137(g).

Introduction

Horizons LLC is the owner of Horizons I, which is the Ku-band payload on Galaxy 13.³ Horizons I operates at 127° W.L. and is licensed by Japan. On November 24, 2003, the Commission added Horizons I to its Permitted Space Station List ("PSSL"),⁴ and on May 27, 2004, the Commission modified the PSSL entry for the satellite by adding authority for Horizons I to be used to provide one-way direct-to-home services.⁵

After the Commission added Horizons I to the PSSL, it consented to a transfer of control of PanAmSat. More specifically, the Commission authorized Hughes Electronics Corporation ("Hughes")⁶ to transfer control to The News Corporation Limited ("News Corp.") of various Commission licenses and authorizations held by Hughes and its wholly- or majority-owned subsidiaries, including PanAmSat.⁷ The parties subsequently consummated this transfer of control.⁸

Procedure for PSSL Ownership Changes

The Commission's procedure for changing ownership of PSSL satellites is "very simple."⁹ As described in its Satellite Licensing Streamlining Order, the Commission, after "the transaction has taken place," will issue a public notice announcing the transaction and "inviting comment on whether the transaction affects any of the considerations made when the original satellite operator was allowed to enter the U.S. market."¹⁰

³ This satellite was formerly known as Galaxy XIII. PanAmSat recently began identifying the satellites in the Galaxy fleet using Arabic numerals instead of Roman numerals. The Commission has authorized PanAmSat's subsidiary, PanAmSat Licensee Corp., to operate the C-band payload on Galaxy 13 at 127° W.L. See File Nos. SAT-LOA-19991207-00118, SAT-AMD-20030228-00020.

⁴ *Horizons Satellite LLC Petition for Declaratory Ruling to Add Horizons I to the Permitted Space Station List*, Order, DA 03-3760 (rel. Nov. 24, 2003).

⁵ See Order and Authorization, DA 04-1315.

⁶ Hughes subsequently changed its name to The DIRECTV Group, Inc.

⁷ See *General Motors Corporation, Hughes Electronics Corporation, and The News Corporation Limited*, Memorandum Opinion and Order, MB Docket No. 03-124, 19 FCC Rcd 473 (2004). See also *General Motors Corporation, Hughes Electronics Corporation, and The News Corporation Limited*, Supplemental Order, DA 04-961 (Apr. 9, 2004) at ¶7.

⁸ See Letter from William M. Wiltshire and Michael D. Nilsson, Harris, Wiltshire & Grannis LLP, Counsel for News Corp., to Marlene Dortch, Secretary, Federal Communications Commission (Dec. 23, 2003).

⁹ *Satellite Licensing Streamlining Order* at ¶326.

¹⁰ *Id.*

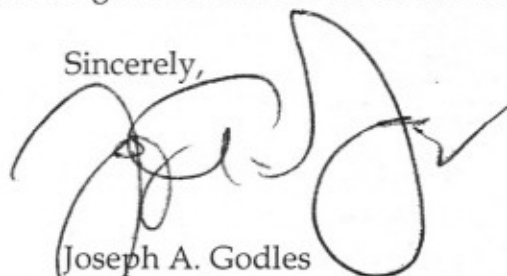
Application of PSSL Ownership Change Procedures to the Transfer of Control of PanAmSat

The Commission previously determined, based on its consideration of competition issues and Horizons LLC's financial, legal, and technical qualifications, that adding Horizons I to the PSSL was in the public interest.¹¹ It reaffirmed that determination when it authorized Horizons LLC to provide one-way DTH services via Horizons I.¹²

Transferring control of PanAmSat to News Corp. has no impact on these considerations. The Commission's competition analysis was based on the fact that Horizons I is licensed by Japan, and the change in *de facto* control of PanAmSat does not change the identity of the licensing country or otherwise alter the analysis. Horizons LLC's financial qualifications are no longer relevant, because Horizons I has been constructed and launched and is operating. The only change to Horizons LLC's legal qualifications is that News Corp. now has *de facto* control of PanAmSat, one of Horizons LLC's two members. As discussed above, however, the Commission already has found, following a thorough evaluation, that News Corp. is qualified to control PanAmSat.¹³ Finally, there have been no changes to Horizons LLC's technical qualifications, because the operating parameters for Horizons I have not been altered.

Accordingly, and for the reasons stated herein, Horizons LLC remains qualified to serve the United States via Horizons I following the transfer of control of PanAmSat to News Corp.

Sincerely,



Joseph A. Godles
Attorney for PanAmSat Corporation
Member, Horizons Satellite LLC

¹¹ *Horizons Satellite LLC Petition for Declaratory Ruling to Add Horizons I to the Permitted Space Station List*, Order, DA 03-3760 (rel. Nov. 24, 2003).

¹² Order and Authorization, DA 04-1315 (May 27, 2004).

¹³ See n. 7, *supra*. It is also noted that News Corp.'s *de facto* control of PanAmSat is temporary, because the Commission has consented to a further transfer of control of PanAmSat from News Corp. to five limited liability companies owned by private equity partnerships. See Public Notice, DA 04-2509 (Aug. 11, 2004). Consummation of that transfer of control is imminent, following which PanAmSat will be filing a further notification concerning Horizons I.