SAT-STA-20090821-00092 EchoStar Corporation

IB2009003459

File# SAT-STA-20090821-00092 Call Sign \$2653 Grant Date 12/01/09 From 09 / 28/09 (or other identifier) GRANTED*

3060-0678 Approved by OMB

03/27/10

Term Dates

Date & Time Filed: Aug 21 2009 1:35:23:763PM

File Number: SAT-STA-20090821-00092 Callsign:

Approved: International Bureau conditions * subject to

Chief Policy Branch

FEDERAL COMMUNICATIONS COMMISSION

APPLICATION FOR SPACE STATION SPECIAL TEMPORARY AUTHORITY

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APPLICANT INFORMATION

Enter a description of this application to identify it on the main menu:

Application to Renew STA to Operate on Chennels 23 and 24 at 61.5 W.L.

1. Applicant

Phone Number: EchoStar Corporation Name:

DBA Name:

Fax Number:

303-723-1000

E-Mail:

100 Inverness Terrace East

Street:

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Englewood

City:

USA

Country:

Zipcode:

80112 00

Linda Kinney - (202)293-0981 Attention:

Attachment File No. SAT-STA-20090821-00092

EchoStar Corporation's request, File No. SAT-STA-20090821-00092, IS GRANTED, and EchoStar Corporation (EchoStar) IS AUTHORIZED to operate Direct Broadcast Satellite service from its EchoStar 12 satellite over Channels 23 and 24 at the 61.5° W.L. orbital location for a period of 180 days, from September 28, 2009 to March 27, 2010, subject to the following conditions:

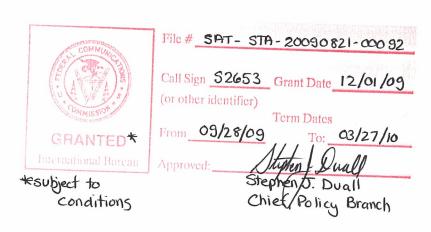
- 1. EchoStar's use of channels 23 and 24 at the 61.5° W.L. orbital location shall cause no harmful interference to any other lawfully operating radio station and EchoStar shall cease operation on those channels immediately upon notification of such interference.
- 2. EchoStar shall not claim protection from interference from any other lawfully operated radio station with respect to its operations on channels 23 and 24 and that EchoStar's operation on channels 23 and 24 is at its own risk.
- 3. Upon launch and operation of a replacement satellite for EchoStar 3 at the 61.5° W.L. orbital location, the following conditions will apply:
 - a) EchoStar:
 - i) must inform its customers, in writing, that services using the two unassigned channels at the 61.5° W.L. orbit location will be discontinued upon the termination of EchoStar's temporary authority to operate on these channels;
 - ii) must provide the following language to its customers in its monthly billing statements:

"The [name of module(s)] is only temporarily available. Dish Network will discontinue these services upon the termination of Dish Network's temporary authority to operate on these channels. Therefore, [name of module] will cease to be available to you upon the termination of Dish Network's temporary authority to operate on these channels without prior notice. If you have any questions, please call us toll-free at [insert telephone number]."

iii) must include in all marketing notification that service is being provided on a temporary basis and may be diminished or discontinued at

any time. Any failure to comply with customer notification procedures will be subject to enforcement action.

- b) Use of channels 23 and 24 at the 61.5° W.L. orbit location is for free-standing separate programming packages that are not required as a condition of purchasing any other programming packages and that are readily capable of being withdrawn on short notice. Consumers should not have any expectation that the packages that they are purchasing include additional programming provided over channels 23 and 24. Any failure to comply with this programming requirement will be subject to enforcement action.
- 4. EchoStar must file a report by December 30, 2009 describing the status of the replacement satellite for the EchoStar 3 satellite, and the operating status of the EchoStar 3 satellite. In its report, EchoStar should indicate the status of the replacement satellite, as well as the status of the associated launch vehicle.
- 5. EchoStar must file a report on December 30, 2009 describing any change to the operating status since EchoStar filed its Status Report for the EchoStar 3 satellite on June 30, 2009.
- 6. EchoStar shall cease operations on channels 23 and 24 at the 61.5° W.L. orbit location upon the launch and operation of a satellite regularly licensed to operate on these channels at this location.
- 7. This Special Temporary Authority is conditioned on the outcome of any rules adopted in the Notice of Proposed Rulemaking Proceeding in IB Docket 06-160 (DBS License Processing Procedures Rulemaking).
- 8. This Special Temporary Authority is conditioned on the outcome of the Commission decision on the petition for reconsideration of eligibility restrictions for DBS Channels 23 and 24 at the 61.5° W.L. orbital location.
- 9. This Action is taken pursuant to Section 0.261 of the Commission's rules on delegated authority, 47 C.F.R. § 0.261, and is effective immediately. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of the public notice indicating that this action was taken.



7. Requested Extended Expiration Date 2010–03–27 00:00:00.0	 Change Station Location ♠ Extend Expiration Date O Other 	4b. Fee Classification 5. Type Request	 If Yes, complete and attach FCC Form 159. If No, indicate reason for fee exemption (see 47 C.F.R.Section 1.1114). O Governmental Entity O Noncommercial educational licensee O Other(please explain): 	(If your application is related to an application filed with the Commission, enter either the file number or the IB Submission ID of the related 3. Reference File Number SATSTA2009032500038 or Submission ID 4a. Is a fee submitted with this countries.	City: Washington State: DC Country: USA Zipcode: 20036 – Attention: Relationship: Legal Counsel	Company: Steptoe & Johnson LLP Fax Number: 202-429-6494 Street: 1330 Connecticut Ave. NW E-Mail: pmichalopoulos@steptoe.com	
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2. Contact

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

In the Matter of)
ECHOSTAR CORPORATION Request for Renewal of Special Temporary Authority to Operate a Direct Broadcast Satellite Over Channels 23 and 24 At the 61.5° W.L. Orbital Location	 File No. SAT-STA-20060324-00029 File No. SAT-STA-20070105-00008 File No. SAT-STA-20070329-00058 File No. SAT-STA-20070926-00133 File No. SAT-STA-20080325-00082 File No. SAT-STA-20080923-00193 File No. SAT-STA-20090325-00038 File No. SAT-STA-2009

REQUEST FOR RENEWAL OF SPECIAL TEMPORARY AUTHORITY

EchoStar Corporation ("EchoStar") requests renewal of its special temporary authority ("STA") to operate on Channels 23 and 24 at the 61.5° W.L. orbital location for an additional 180 days. EchoStar also requests that the Commission grant the requested renewal subject to the same temporary suspension of the customer notification and programming conditions that the International Bureau approved for the 61.5° W.L. STA. Consistent with that Bureau decision, grant of this renewal request will continue to serve the public interest.

I. BACKGROUND AND PROCEDURAL HISTORY

As EchoStar's predecessor-in-interest, EchoStar Satellite Operating Corporation ("ESOC") explained in the original STA request, DBS Channels 23 and 24 at the 61.5° W.L. orbital location have a "unique" history. In stark contrast to the vast majority of DBS spectrum, these channels have remained unassigned and unlicensed. In fact, these channels "are the only

¹ See EchoStar Satellite Operating Corporation, Application for Modification of Special Temporary Authority to Operate Direct Broadcast Satellite Service over Channels 23 and 24 at the 61.5° W.L. Orbital Location, Order and Authorization, 22 FCC Rcd 2223, ¶ 5 (rel. Feb. 2, 2007) ("61.5 STA Order").

two remaining unassigned DBS channels in the 12 GHz band that are assigned to the United States that can provide service to most of the contiguous United States."²

In an effort to ensure that such valuable spectrum does not lie fallow, the Commission has provided STAs to DBS providers to operate on these channels for the past eleven years subject to different conditions. The Commission initially granted EchoStar's predecessor an STA to operate on the unassigned channels as well as 8 channels assigned to Dominion Video Satellite, Inc. and the 11 channels assigned to Rainbow on March 21, 1998. Rainbow subsequently operated on the unassigned channels for a two-year period, before ESOC acquired

² Rainbow DBS Company, LLC and EchoStar Satellite L.L.C., Memorandum Opinion and Order, 20 FCC Rcd 16868, ¶ 29 (rel. Oct. 12, 2005) ("Rainbow 1 Assignment Order").

³ See In the Matter of Direct Broadcasting Satellite Corporation, Application for Special Temporary Authority to Operate a Direct Broadcast Satellite Over Channels 1-21 (odd) and 23-32 (odd and even) at 61.5° W.L., Memorandum Opinion and Order, 13 FCC Rcd 6392 (1998) ("EchoStar 1998 STA Grant"). The Commission renewed this authority on September 16, 1998. See In the Matter of Direct Broadcasting Satellite Corporation, Application for Special Temporary Authority to Operate a Direct Broadcast Satellite Over Channels 1-21 (odd) and 23-32 (odd and even) at 61.5° W.L., Letter from Thomas S. Tycz to David K. Moskowitz, File No. SAT-STA-19980827-00068 (Sept. 16, 1998). The September 16, 1998 renewal of EchoStar's STA was for 180 days, or with respect to the relevant channels, until "(2) receipt of a license by Dominion Video Satellite, Inc. or R/L DBS to begin service from the 61.5° W.L. orbital location ..." The Commission again verbally renewed the authority on March 16, 1999, imposing the same terms and conditions. See File No. SAT-STA-19990305-00026. Dominion received such a license in 1999, and EchoStar's STA with respect to Dominion's channels expired. The Commission granted renewal requests for the 11 channels assigned to Rainbow and the 2 unassigned channels in 1999, 2000, 2001, and 2002. See File Nos. SAT-STA-19990907-00089, SAT-STA-20000308-00066, SAT-STA-20010226-00024, SAT-STA-20010820-00076, and SAT-STA-20020220-00021. In 2003, EchoStar discontinued service on these channels within seven days of receiving notice from the Commission that it must do so. See Letter from Jennifer M. Gilsenan, Chief, Policy Branch, Satellite Division to Pantelis Michalopoulos, Re: Request of EchoStar Satellite Corporation for Renewal of Its Special Temporary Authority to Operate a Satellite Over Channels 1-23 (odd) and 24 the 61.5° W.L. Orbital Location – File No. SAT-STA-20030214-00071 (June 13, 2003).

⁴ Rainbow DBS Company, LLC, received the STA to operate on the unassigned channels in 2003. *EchoStar Satellite Corporation and Rainbow DBS Company LLC*, Order and Authorization, 18 FCC Rcd 19825 (2003) ("*Rainbow STA Order*").

the Rainbow 1 satellite and regained authority in 2005.⁵ On January 1, 2008, ESOC assigned the STA to EchoStar as part of a *pro forma* corporate reorganization under which ESOC's parent, EchoStar Communications Corporation, spun off its wholly-owned subsidiary, EchoStar.⁶ The Commission has highlighted repeatedly "the importance of ensuring that spectrum can continue to serve the public rather than lying fallow unnecessarily, even on a temporary basis." During the past eleven years, the flexibility provided by this much-needed capacity has proven instrumental to DBS providers.

The future of these unassigned channels is, however, also subject to the uncertainty surrounding the *Northpoint* decision that vacated the Commission's DBS auction rules, and the DBS freeze implemented by the Commission in response to that decision. As a result, a new licensee will not be in a position to provide services from these channels for a number of years.

⁵ The Rainbow STA was assigned to EchoStar Satellite L.L.C. ("ESLLC") in October 2005 as part of the sale of the Rainbow 1 satellite to EchoStar. See EchoStar Satellite L.L.C., File No. SAT-STA-20050930-00183 (granted Sept. 30, 2005); see also Rainbow 1 Assignment Order. The STA was then assigned from ESLLC to EchoStar Satellite Operating Corporation ("ESOC") in September 2006. See Application for Pro Forma Assignment of Licenses from EchoStar Satellite L.L.C. to EchoStar Satellite Operating Corporation, File No. SAT-ASG-20051129-00256 (granted Sep. 13, 2006).

⁶ See Public Notice, DA 07-4655 (rel. Nov. 16, 2007) (consenting to the transfer of several authorizations as part of the Spin-Off).

⁷ Rainbow STA Order, ¶ 8; see also EchoStar 1998 STA Grant, ¶ 7 ("furthering the Commission's objective to make efficient use of available spectrum").

Northpoint Technology Ltd. v. FCC, 412 F.3d 145 (D.C. Cir. 2005) ("Northpoint"); Public Notice, Direct Broadcast Satellite (DBS) Service Auction Nullified: Commission Sets Forth Refund Procedures for Auction No. 52 Winning Bidders and Adopts a Freeze on All New DBS Service Applications, FCC 05-213 (rel. Dec. 21, 2005) ("DBS Freeze Notice"). The DBS freeze does not apply to "requests for special temporary authority." Id. at 2.

In fact, while the Commission initiated a proceeding in 2006 to establish the mechanism by which these channels could be ultimately licensed and operated, that proceeding is still pending.⁹

In March 2006, ESOC sought an extension of its 61.5° W.L. STA, and also requested a modification to relax the STA's customer notification requirements. On January 5, 2007, ESOC filed a request for expedited action on the pending March 2006 STA application. ESOC also sought to waive temporarily the programming condition to which the STA was subject, because the deteriorating condition of the EchoStar 3 satellite, co-located at the 61.5° W.L. orbital location, made it necessary for ESOC to utilize Channels 23 and 24 in order to maintain regular programming to its subscribers from 61.5° W.L.

In February 2007, the International Bureau granted ESOC's request to renew its STA to operate Channels 23 and 24 at 61.5° W.L., and found that it would serve the public interest to

⁹ See Amendment of the Commission's Policies and Rules for Processing Applications in the Direct Broadcast Satellite Service in the United States, Notice of Proposed Rulemaking, 21 FCC Rcd 9443 (2006).

¹⁰ See File No. SAT-STA-20060324-00029. Specifically, this condition required that ESOC notify subscribers that the services provided using the two unassigned channels are provided pursuant to a grant of temporary authority and may be reduced or discontinued at any time. ESOC was also required to provide billing inserts informing consumers of the services provided on these channels and the expiration date of the temporary authority for the two channels.

¹¹ See File No. SAT-STA-20070105-00008.

W.L. orbital location is for free-standing separate programming packages that are not required as a condition of purchasing any other programming packages and that are readily capable of being withdrawn on short notice. Consumers should not have any expectation that the packages they are purchasing include additional programming provided over channels 23 and 24. Any failure to comply with this programming requirement will be subject to enforcement action." *Rainbow STA Order* at ¶ 18.

suspend temporarily the customer notification and programming conditions. ¹³ In particular, the Bureau found that "[s]uspending these restrictions will enable EchoStar to avoid any further disruption to its customers as a result of the EchoStar 3 transponder failures. It will also avoid confusion to its customers regarding the continued availability of programming." ¹⁴ Further, the Bureau held that "[t]emporary suspension will give EchoStar greater flexibility to meet its customers' needs until it is able to launch its planned replacement satellite into that location later this year." ¹⁵ The Bureau subsequently granted ESOC's request for renewal of the STA twice. ¹⁶

II. GRANT OF A RENEWAL STA SUBJECT TO THE SAME TEMPORARY SUSPENSION OF THE CUSTOMER NOTIFICATION AND PROGRAMMING CONDITIONS WOULD CONTINUE TO SERVE THE PUBLIC INTEREST

The same conditions that led the Bureau to grant renewal of the STA for Channels 23 and 24 and to temporarily suspend the customer notification and programming conditions for the STA in the 61.5° STA Order are still applicable. EchoStar 3 continues to operate at diminished capacity due to the earlier transponder failures. As a result, EchoStar still needs to utilize Channels 23 and 24 to maintain regular programming from the 61.5° W.L. orbital location.

Since the March 2008 failure of EchoStar 3's intended replacement, AMC-14, to reach orbit, EchoStar has been actively considering other possible plans for relieving EchoStar 3 at 61.5° W.L. As reported to the Commission by EchoStar in June 30, 2009, the operating status of the EchoStar 3 satellite has not changed, and EchoStar has contracted with Space Systems/Loral for the construction of EchoStar 15, a 32-transponder-capable DBS satellite that, in light of the

¹³ 61.5 STA Order, ¶ 5.

¹⁴ *Id.*, \P 6.

¹⁵ *Id.*, ¶ 7.

¹⁶ See File No. SAT-STA-20080923-00193; File No. SAT-STA-20090325-00038.

loss of AMC-14, will effectively replace EchoStar 3 at 61.5° W.L. ¹⁷ EchoStar 15 is expected to be ready for launch by the fourth quarter of 2010.

Thus, grant of a renewal STA subject to the same temporary suspension of the customer notification and programming conditions will continue to "enable EchoStar to avoid any further disruption to its customers as a result of the EchoStar 3 transponder failures" and "will give EchoStar greater flexibility to meet its customers' needs until it is able to launch its planned replacement satellite."

III. CONCLUSION

The Commission should renew the STA to operate on Channels 23 and 24 for an additional 180 days subject to the same terms and conditions provided for in the 61.5° STA Order.

Respectfully submitted,

<u>/s/</u>

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August 21, 2009

¹⁷ See In re EchoStar Corporation: Status Report on EchoStar 3 (Redacted), File No. SAT-STA-20090325-00038 (filed June. 30, 2009).

¹⁸ 61.5 STA Order, ¶ 5.