

**STATEMENT OF
COMMISSIONER KATHLEEN Q. ABERNATHY**

*Amendment of the Commission's Space Station Licensing Rules and Policies, IB Docket
No. 02-34 (adopted April 23, 2003)*

The satellite industry has matured dramatically over the past several decades. While the United States domestic satellite market has been open to competition from its inception, it was only in the 1980s that we began to see competition in the international market to the then treaty-based organization INTELSAT's global satellite system. Today, INTELSAT's first international competitor and the FCC's first licensed international separate system, PanAmSat, rivals INTELSAT in the number of satellites it has operational. Further, today there are multiple competitors providing domestic and international satellite services from both GSO and NGSO systems. The success of these systems can be seen in the provision of many day-to-day applications, such as video broadcasting, internet and data services, and voice services over satellite, as well as reliance on satellite systems for much of the communications needs of the United States armed forces during Operation Iraqi Freedom.

Although there have been significant technological and other advances in the satellite industry, the FCC's rules governing the licensing of satellite systems have not kept pace. Under our existing rules, obtaining a satellite license can take several years and the award of the license is often based on which company can last the longest in the negotiated processing rounds. I believe that such an approach is arbitrary, negatively impacts business plans, makes it difficult for licensees to meet international deadlines for bringing new systems into use, and most importantly, delays the introduction of new services to customers. The time is ripe for a change.

Last year the FCC began reexamining its rules to develop procedures that would be efficient and fair in processing satellite applications and not hinder licensees through prolonged delays. Today's order is the culmination of that effort through the adoption of a more market-based form of licensing regulation. I believe that the first come-first serve licensing approach for GSOs and the modified processing round licensing approach for NGSOs, coupled with strengthened milestones and increased enforcement, will ensure that satellite services are deployed quickly, spectrum is utilized efficiently and satellite operators are able to offer innovative services to the American public expeditiously.

