

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

In the Matter of	)	
	)	
Promoting Efficient Use of Spectrum	)	WT Docket No. 00-230
Through Elimination of Barriers to the	)	
Development of Secondary Markets	)	

**REPLY COMMENTS OF PANAMSAT CORPORATION  
AND GE AMERICAN COMMUNICATIONS, INC.**

PanAmSat Corporation (“PanAmSat”) and GE American Communications, Inc. (“GE Americom”), by their attorneys, hereby reply to the comments of Teledesic LLC (“Teledesic”) on the above-captioned Notice of Proposed Rulemaking. Teledesic suggests, among other things, that the Commission allow satellite licensees to lease spectrum to third parties. For the reasons stated herein, PanAmSat and GE Americom hereby oppose Teledesic’s proposal.

**DISCUSSION**

**Allowing Satellite Licensees To Lease Spectrum Would Inhibit, Rather Than Promote, Efficient Use Of The Orbital Spectrum.**

Teledesic posits that, by allowing satellite licensees to lease spectrum to one another, the Commission would “enhance spectrum efficiency by putting dormant spectrum to use prior to launch.” Teledesic Comments at 3. Teledesic does not mean leasing spectrum in the conventional sense of offering transponder capacity on a licensee’s operating satellite; the Commission already permits such leases. What Teledesic has in mind is for a satellite licensee who has not launched its satellite to have the right to sell to third parties the spectrum rights covered by its license. Rather than promote efficient spectrum usage, however, the Teledesic suggestion, if adopted, would make it more likely that “valuable spectrum remains unused,” Teledesic Comments at 3, unless and until the licensee is able to bring it into use.

Under the current rules, satellite licensees have significant flexibility to make use of unoccupied spectrum licensed to other entities. If a satellite operator has use for orbital spectrum that is licensed to another entity and not yet being used, the satellite operator simply files a request for special temporary authority (“STA”) to use the spectrum on an interim basis. The filing is relatively simple and the Commission staff normally can act on such requests expeditiously. Thus, spectrum that is “valuable” can be brought into use at little cost to the parties or the Commission, and in a very short period of time, while the entity to which it is licensed prepares its facilities.

Nothing is to be gained by making would-be temporary-users of fallow spectrum bargain with licensees for the right to use that spectrum. That bargaining process would add elements of time (for negotiation) and cost (for the lease right) to an operator’s decision to provide interim service; it would not in any way facilitate use of the spectrum or increase licensee flexibility.

Indeed, there is a risk that the licensee of unused spectrum would seek to leverage its claim to the spectrum to extract inordinate or unreasonable payments from interim service providers or to prevent competitors from providing additional service. In this regard, adoption of Teledesic’s proposal could inhibit the timely and efficient use of spectrum. Because of the transaction costs or in some cases outright barriers the proposal would engender, satellite operators could be forced to forego temporary operations entirely or to provide service using less-than-optimal spectrum.

The Commission should, therefore, continue its current practice of allowing, pursuant to temporary authority, interim satellite operations in unused spectrum licensed to other entities. Teledesic's proposal to convert this process into a commercial transaction would serve only to increase the costs and delay associated with such interim operations.

Respectfully submitted,

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