

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: Amendment of the Commission's Space Station Licensing Rules and Policies; First Report and Order and Further Notice of Proposed Rule Making; IB Docket No. 02-34

I believe that our actions today will revolutionize our approach to satellite licensing by adding much needed regulatory certainty to a process that recently has been encumbered with delays and uncertainty. I recognize that our decision may not be embraced by everyone within the satellite industry. But just as the industry has evolved over the past two decades to literal and figurative heights, I believe that the satellite community also will grow to embrace the certainty offered by our revised licensing rules.

Change can be difficult. But something must be done to improve the current system that governs the Commission's approach to satellite licensing. We have processing rounds that are measured in years not months, and applications that were filed in 1997, but still have not yet even been accepted for filing. However, this is not an exercise to point fingers or assess blame – we simply have a licensing approach adopted 20 years ago, when the commercial satellite industry was not as developed and technologically advanced as it is today. Procedures that were appropriate then to nurture a relatively new commercial industry are no longer needed today. Indeed, these very same rules now have the opposite effect of stifling technological growth and development of new satellite systems.

I thus welcome the change to our satellite licensing rules and commend the International Bureau for embarking on this often-challenging process. The Bureau has devoted to this endeavor a great deal of resources and thought, which are such important components of our rulemaking procedure.

With these changes, however, I have one lingering concern that I hope we have successfully addressed in today's item. To limit the filing of speculative applications, the Commission previously has relied on an anti-trafficking rule in the satellite service, which prohibited the sale of "bare licenses," except those licenses obtained through a competitive bidding process. I recognize that elimination of this rule may facilitate the development of a secondary market, which can play such an important role in expediting service to the public. However, in eliminating this rule, we potentially also enable speculators to reap financial gains from filing applications for the principal purpose of speculation or other gaming of our revised satellite licensing process.

Rightly, we have adopted and strengthened a number of important provisions to minimize the possibility of such an occurrence, which I think everyone recognizes is anathema to the Commission's approach to spectrum policy. In particular, we have adopted a provision that specifically enunciates the Commission's discretion to review the assignments and transfers of control of space station licenses to determine whether the initial license was obtained in good faith with the intent to construct a satellite system. I am hopeful that, taken together, all of these provisions put applicants on notice that our revised satellite process is intended to promote technology and innovation, not the filing of speculative applications.