

its useful life, and the Galaxy IX satellite that will assume its regularly assigned orbital location at 127° W.L. Galaxy X-R will continue providing video, audio and data services currently offered by SBS-5 and Galaxy IX to satellite users in North, South and Central America, with increased service to Mexico and southern Canada. Galaxy X-R is currently scheduled for launch on January 24, 2000.

III. DISCUSSION

3. We find that PanAmSat is legally, financially, technically and otherwise qualified to launch and operate the Galaxy X-R satellite and that a grant of its application will serve the public interest.⁴ PanAmSat's legal qualifications are a matter of record and the Commission has on several occasions found that PanAmSat possesses the necessary legal qualifications to be a Commission licensee. With respect to financial qualifications, PanAmSat provided a balance sheet and income statements of its parent, Hughes Electronic Corporation ("HEC"), demonstrating adequate funds to finance the construction, launch, and operation for one year of Galaxy X-R. HEC's balance sheet as of December 31, 1998 shows total current assets of \$3.8 billion which is more than adequate to cover PanAmSat's estimated cost of \$200 million to construct, launch, and operate Galaxy X-R for one year.⁵ Further, we find that Galaxy X-R complies with all Commission technical requirements.

4. We also find that grant of PanAmSat's application will serve the public interest. Galaxy X-R will replace the failed Galaxy X satellite which was scheduled to replace the SBS-5 satellite that has reached the end of its design life and the Galaxy IX satellite that will be relocated to 127° W.L.⁶ Replacement will ensure continuity of service to PanAmSat's C- and Ku-band customers currently accessing the SBS-5 and Galaxy IX satellites, and will permit PanAmSat to further implement its system plan by

satellite, Galaxy IX was to assume its regularly assigned orbital location at 127° W.L. With the Galaxy X launch failure, Galaxy IX will assume its regularly assigned orbital location upon the successful launch and operation of the Galaxy X-R satellite.

⁴ See Licensing Space Stations in the Domestic Fixed-Satellite Service, 58 R.R.2d (P&F) 1267, 1272-3 (1985) (1985 Orbit Assignment Order).

⁵ An applicant relying on internal financing must submit a balance sheet documenting current assets and operating income sufficient to cover its costs. Current assets -- which include cash, inventory, and accounts receivable -- provide a general measure of a company's ability to raise funds on the basis of its on-going operations. See 47 C.F.R. § 25.114(c)(13); 1985 Orbit Assignment Order at 1272.

⁶ The Commission will generally authorize replacement satellites at the same location as the satellites they are replacing to ensure continuity of service. See AT&T Corp., 11 FCC Rcd. 15038 (1996). See also Hughes Communications Galaxy, Inc., 3 FCC Rcd. 6989 (1988).

freeing the Galaxy IX satellite to assume its regularly assigned 127° W.L. orbital location.⁷

IV. CONCLUSION AND ORDERING CLAUSES

5. As set forth above, PanAmSat possesses the requisite legal, financial, and technical qualifications to construct, launch and operate the Galaxy X-R satellite. We also find that a grant of PanAmSat's application will serve the public interest by ensuring continuity of service for the customers of those satellites that Galaxy X-R will replace.

6. Accordingly, IT IS ORDERED that PanAmSat's application, File No. SAT-LOA-19990518-00054 IS GRANTED and PanAmSat is authorized to launch and operate its Galaxy X-R satellite at 123° W.L. in accordance with terms, conditions, and technical specifications set forth in its application.⁸

7. IT IS FURTHER ORDERED that, PanAmSat shall prepare the necessary information, as may be required, for submission to the ITU to initiate and complete the advance publication, international coordination, and notification process of this space station in accordance with the ITU Radio Regulations. We also remind all licensees that no protection from interference caused by radio stations authorized by other administrations is guaranteed unless coordination procedures are timely completed or, with respect to individual administrations, by successfully completing coordination agreements. Any radio station authorization for which coordination has not been completed may be subject to additional terms and conditions as required to effect coordination of the frequency assignments of other administrations. *See* 47 C.F.R. § 25.111(b).

8. IT IS FURTHER ORDERED that PanAmSat is obliged to comply with the applicable laws, regulations, rules, and licensing procedures in those countries it proposes to serve.

9. IT IS FURTHER ORDERED that the license term for the Galaxy X-R satellite is ten years and will begin to run on the date the licensee certifies to the Commission that the satellite has been successfully placed into orbit and its operation fully conforms to the terms and conditions of this authorization.

10. IT IS FURTHER ORDERED that PanAmSat shall relinquish any right to the continued operation of SBS-5 at the time it begins commercial operations of Galaxy

⁸ On January 14, 2000, we granted PanAmSat's request for Special Temporary Authority (SAT-STA-19991215-00123) to conduct in-orbit testing of the Galaxy X-R satellite at the 127° W.L. orbit location. *See* letter from Thomas S. Tycz, Chief, Satellite and Radiocommunication Division to Joseph A. Godles, Esq., Attorney for PanAmSat. (January 14, 2000).

X-R. PanAmSat shall inform the Commission when commercial operation of Galaxy X-R has begun.

11. PanAmSat is afforded thirty days from the date of release of this order and authorization to decline this authorization as conditioned. Failure to respond within this period will constitute formal acceptance of the authorization as conditioned.

12. This Order is issued pursuant to Section 0.261 of the Commission's rules on delegated authority, 47 C.F.R. § 0.261, and is effective upon adoption. 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 release of this order (see 47 C.F.R. § 1.4(b)(2)).

FEDERAL COMMUNICATIONS COMMISSION

Thomas S. Tycz
Chief, Satellite and Radiocommunication Division