

106TH CONGRESS  
1ST SESSION

# S. 376

To amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 1999

Mr. BURNS (for himself, Mr. McCAIN, Mr. DORGAN, Mr. BRYAN, Mr. BROWNBACK, and Mr. CLELAND) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Open-market Reorga-  
5 nization for the Betterment of International Tele-  
6 communications Act”.

7 **SEC. 2. PURPOSE.**

8 It is the purpose of this Act to promote a fully com-  
9 petitive domestic and international market for satellite

1 communications services for the benefit of consumers and  
2 providers of satellite services by fully encouraging the pri-  
3 vatization of the intergovernmental satellite organizations,  
4 INTELSAT and INMARSAT, and reforming the regu-  
5 latory framework of COMSAT Corporation.

6 **SEC. 3. FINDINGS.**

7 The Congress finds that:

8 (1) International satellite communications serv-  
9 ices constitute a critical component of global voice,  
10 video and data services, play a vital role in the inte-  
11 gration of all nations into the global economy and  
12 contribute toward the ability of developing countries  
13 to achieve sustainable development.

14 (2) The United States played a pivotal role in  
15 stimulating the development of international satellite  
16 communications services by enactment of the Com-  
17 munications Satellite Act of 1962 (47 U.S.C. 701–  
18 744; hereinafter the “Satellite Act”), and by its crit-  
19 ical contributions, through its signatory, COMSAT  
20 Corporation (hereinafter “COMSAT”), in the estab-  
21 lishment of INTELSAT, which has successfully es-  
22 tablished global satellite networks to provide member  
23 countries with worldwide access to telecommuni-  
24 cations services, including critical lifeline services to  
25 the developing world.

1           (3) By statute, COMSAT, a publicly traded cor-  
2           poration, is the sole United States signatory to  
3           INTELSAT and, as such, is responsible for carrying  
4           out United States commitments under the  
5           INTELSAT Agreement and the INTELSAT Oper-  
6           ating Agreement. Pursuant to a binding Head-  
7           quarters Agreement, the United States, as a Party  
8           to INTELSAT, has satisfied many of its obligations  
9           under the INTELSAT Agreement.

10           (4) In the 37 years since enactment of the Sat-  
11           ellite Act, satellite technology has advanced dramati-  
12           cally, large-scale financing options have improved  
13           immensely and international telecommunications  
14           policies have shifted from those of natural monopo-  
15           lies to those based on market forces, resulting in  
16           multiple private commercial companies around the  
17           world providing, or preparing to provide, the domes-  
18           tic, regional, and global satellite telecommunications  
19           services that only INTELSAT had previously had  
20           the capabilities to offer.

21           (5) Private commercial satellite communications  
22           systems now offer the latest telecommunications  
23           services to more and more countries of the world  
24           with declining costs, making satellite communica-  
25           tions an attractive complement as well as alternative

1 to terrestrial communications systems, particularly  
2 in lesser developed countries.

3 (6) To enable consumers to realize optimum  
4 benefits from international satellite communications  
5 services, and to enable these systems to be competi-  
6 tive with other international telecommunication sys-  
7 tems, such as fiber optic cable, the global trade and  
8 regulatory environment must support vigorous and  
9 robust competition.

10 (7) In particular, all satellite systems should  
11 have unimpeded access to the markets that they are  
12 capable of serving, and the ability to compete in a  
13 fair and meaningful way within those markets.

14 (8) Transforming INTELSAT from an inter-  
15 governmental organization into a conventional sat-  
16 ellite services company is a key element in bringing  
17 about the emergence of a fully competitive global en-  
18 vironment for satellite services.

19 (9) Consistent with United States obligations  
20 under the WTO Basic Agreement on Telecommuni-  
21 cations Services and to prevent the potential distor-  
22 tion of competition in the United States market, a  
23 pro-competitive privatization of INTELSAT is an  
24 appropriate prerequisite to granting INTELSAT di-  
25 rect access to users in the United States market.

1           (10) It is in the interest of the United States  
2 to remove, by January 1, 2002, the reservation in  
3 the Fourth Protocol to the General Agreement on  
4 Trade in Services regarding INTELSAT's access to  
5 the United States market through COMSAT, but  
6 such reservation cannot be removed without ade-  
7 quate assurance that the U.S. market for satellite  
8 services will not be disrupted by such INTELSAT  
9 access.

10           (11) The Satellite Act, and other applicable  
11 United States laws, need to be updated to encourage  
12 the pro-competitive privatization of INTELSAT to  
13 update the domestic United States regulatory regime  
14 governing COMSAT, and to ensure a competitively  
15 neutral United States framework for the provision of  
16 domestic and international telecommunications serv-  
17 ices via satellite systems.

18 **SEC. 4. REVISION OF COMMUNICATIONS SATELLITE ACT OF**

19                               **1962.**

20           (a) CREATION OF CORPORATION.—Section 301 of the  
21 Communications Satellite Act of 1962 (47 U.S.C. 731) is  
22 amended to read as follows:

1 **“SEC. 301. CREATION OF CORPORATION.**

2 “The Corporation shall be subject to the provisions  
3 of this Act. The right to repeal, alter, or amend this Act  
4 at any time is expressly reserved.”

5 (b) **SATELLITE SERVICES COMPETITION AND PRI-**  
6 **VATIZATION.**—The Communications Satellite Act of 1962  
7 (47 U.S.C. 701) is amended by adding at the end the fol-  
8 lowing:

9 **“TITLE VI—SATELLITE SERVICES**  
10 **COMPETITION AND PRIVAT-**  
11 **IZATION**

12 **“Subtitle A—Transition to a**  
13 **Privatized INTELSAT**

14 **“SEC. 601. POLICY OF THE UNITED STATES.**

15 “It is the policy of the United States to—

16 “(1) encourage INTELSAT to privatize in a  
17 pro-competitive manner as soon as possible, but not  
18 later than January 1, 2002, recognizing the need for  
19 a reasonable transition and process to achieve a full,  
20 pro-competitive restructuring; and

21 “(2) work constructively with its international  
22 partners in INTELSAT, and with INTELSAT  
23 itself, to bring about a prompt restructuring that  
24 will ensure fair competition, both in the United  
25 States as well as in the global markets served by the  
26 INTELSAT system.

1 **“SEC. 602. ROLE OF COMSAT.**

2 “(a) **ADVOCACY.**—As the sole United States signa-  
3 tory to INTELSAT, COMSAT shall act as an advocate  
4 of pro-competitive privatization of INTELSAT, and shall  
5 exercise its voting rights with INTELSAT consistent with  
6 that mission and the United States instructional process.

7 “(b) **ANNUAL REPORTS.**—COMSAT shall report an-  
8 nually to the Committee on Commerce of the House of  
9 Representatives and the Committee on Commerce,  
10 Science, and Transportation of the Senate on the progress  
11 being made by INTELSAT to privatize in a pro-competi-  
12 tive manner.

13 **“SEC. 603. RESTRICTIONS PENDING PRIVATIZATION.**

14 “(a) **INTELSAT ACCESS TO UNITED STATES MAR-**  
15 **KET.**—INTELSAT shall be prohibited from entering the  
16 United States market directly to provide any satellite com-  
17 munications services or space segment capacity to carriers  
18 (other than the United States signatory, COMSAT) or end  
19 users in the United States prior to achieving a pro-competi-  
20 tive privatization certified by the President pursuant  
21 to section 612.

22 “(b) **SERVICE RESTRICTIONS.**—Until the President  
23 makes a certification pursuant to section 612, the follow-  
24 ing services provided by the INTELSAT system shall not  
25 be authorized in the United States by the Federal Commu-  
26 nications Commission: direct-to-home satellite services, di-

1 rect broadcast satellite services, satellite digital audio  
 2 radio services, and satellite communications services in the  
 3 Ka Band. The preceding sentence may be waived by the  
 4 President if the President finds that the provision of such  
 5 service would enhance national security or serve a vital  
 6 public interest. This provision is not intended to disrupt  
 7 or otherwise jeopardize the continuing provision of existing  
 8 authorized services in the United States via the  
 9 INTELSAT system.

10 **“Subtitle B—Privatization of**  
 11 **INTELSAT**

12 **“SEC. 611. PRIVATIZATION.**

13 “The President shall secure a pro-competitive privat-  
 14 ization of INTELSAT as soon as practicable, but no later  
 15 than January 1, 2002. Such privatization shall be con-  
 16 firmed by a final decision of the INTELSAT Assembly  
 17 of Parties.

18 **“SEC. 612. PROVISION OF SERVICES IN THE UNITED STATES**  
 19 **BY INTERGOVERNMENTAL SATELLITE ORGA-**  
 20 **NIZATION AFFILIATES.**

21 “(a) IN GENERAL.—In order to achieve the objectives  
 22 and carry out the purposes of the Open-market Reorga-  
 23 nization for the Betterment of International Tele-  
 24 communications Act, the Commission—



1           “(1) shall apply a presumption in favor of entry  
2           to an IGO affiliate licensed by a WTO Member for  
3           services covered by U.S. commitments under the  
4           WTO Basic Telecom Agreement;

5           “(2) may attach conditions to any grant of au-  
6           thority to an IGO affiliate that raises the potential  
7           for competitive harm; or

8           “(3) shall in the exceptional case in which an  
9           application by an IGO affiliate would pose a very  
10          high risk to competition in the U.S. satellite market,  
11          deny the application.

12          “(b) DETERMINATION FACTORS.—In determining  
13          whether an application to serve the United States market  
14          by an IGO affiliate raises the potential for competitive  
15          harm under (a)(2), the FCC shall consider any potential  
16          anti-competitive or market distorting consequences of con-  
17          tinued relationships or connections between an IGO and  
18          its affiliates, including:

19                 “(1) whether the affiliate is structured to pre-  
20                 vent practices such as collusive behavior or cross-  
21                 subsidization;

22                 “(2) the degree of affiliation between the IGO  
23                 and its affiliate;

24                 “(3) whether the affiliate can directly or indi-  
25                 rectly benefit from IGO privileges and immunities;

1           “(4) the ownership structure of the affiliate and  
2 the effect of IGO and other Signatory ownership;

3           “(5) the existence of clearly defined arm’s-  
4 length conditions governing the affiliate-IGO rela-  
5 tionship including separate officers, directors, em-  
6 ployees, and accounting systems;

7           “(6) the existence of fair market valuing for  
8 permissible business transactions between an IGO  
9 and its affiliate that is verifiable by an independent  
10 audit and consistent with normal commercial prac-  
11 tice;

12           “(7) the existence of common marketing;

13           “(8) the availability of recourse to IGO assets  
14 for credit or capital; and

15           “(9) whether an IGO registers or coordinates  
16 spectrum or orbital locations on behalf of its affili-  
17 ate.

18           “(c) SUNSET.—The provisions of this section shall  
19 cease to have effect upon the certification by the President  
20 pursuant to section 613(b).

21 **“SEC. 613. CERTIFICATION.**

22           “(a) APPLICATION.—Upon a final decision of the  
23 INTELSAT Assembly of Parties creating the legal struc-  
24 ture and characteristics of the privatized INTELSAT,  
25 INTELSAT shall file a request with the President for cer-

1 tification that the privatized INTELSAT's entry into the  
2 United States market for satellite services will not distort  
3 competition in that market.

4       “(b) CERTIFICATION.—Upon application by  
5 INTELSAT, the President shall make such determination  
6 in accordance with the pro-competitive criteria in sub-  
7 section (c), and shall take into consideration all other rel-  
8 evant competitive factors, including factors related to  
9 other competitors in the United States and global market  
10 for satellite services.

11       “(c) CRITERIA.—In making a determination pursu-  
12 ant to subsection (b), the President shall determine that  
13 a privatized INTELSAT—

14               “(1) has no privileges or immunities limiting  
15 legal accountability, commercial transparency or tax-  
16 ation;

17               “(2) has submitted to the jurisdiction of com-  
18 petition and independent regulatory authorities of a  
19 nation that is a signatory to the World Trade Orga-  
20 nization Agreement on Basic Telecommunications  
21 and that has implemented or accepted the agree-  
22 ment's reference paper on regulatory principles;

23               “(3) can offer assurance of an arm's-length re-  
24 lationship in all respects between itself and any affil-  
25 iate, including New Skies, and in particular with re-

1       spect to technical, financial, and management con-  
2       tracts;

3               “(4) can demonstrate that the valuation of as-  
4       sets to be transferred post-privatization is in accord-  
5       ance with generally accepted accounting principles;

6               “(5) has access to orbital locations and associ-  
7       ated spectrum post-privatization in accordance with  
8       the same regulatory processes applicable to other  
9       commercial satellite systems;

10              “(6) conducts technical coordinations post-pri-  
11       vatization under normal, established ITU proce-  
12       dures;

13              “(7) has an ownership structure in the form of  
14       a stock corporation or other similar and accepted  
15       commercial mechanism, and a commitment to a  
16       timely initial public offering has been established for  
17       the sale or purchase of company shares;

18              “(8) does not enter into agreements or arrange-  
19       ments to secure exclusive access to any national tele-  
20       communications market; and

21              “(9) will have accomplished a privatization con-  
22       sistent with the criteria listed in this subsection at  
23       the earliest possible date, but not later than January  
24       1, 2002.

1 **“SEC. 614. FCC REVIEW OF LICENSE APPLICATIONS.**

2       “(a) APPLICATION.—If the President makes such a  
3 certification pursuant to section 613, the following appli-  
4 cations and Letters of Intent to provide satellite commu-  
5 nications services by or via the privatized INTELSAT,  
6 internationally or within the domestic United States, oth-  
7 erwise permitted by law, may be filed with the Commission  
8 provided that no instrument of authorization may be  
9 granted prior to the implementation of the certified privat-  
10 ization:

11               “(1) Applications for a satellite Earth station  
12 or space station under title III of the Communica-  
13 tions Act of 1934 (47 U.S.C. 301 et seq.).

14               “(2) Letters of Intent to provide service in the  
15 United States via non-U.S.-licensed space segment.

16               “(3) Applications under section 214 of the  
17 Communications Act of 1934 (47 U.S.C. 214).

18       “(b) PUBLIC INTEREST DETERMINATION.—Except  
19 as provided in subsection (c), nothing in this Act shall re-  
20 strict or expand the Commission’s ability to make a public  
21 interest determination concerning any application pertain-  
22 ing to a privatized INTELSAT’s entry into the United  
23 States market.

24       “(c) EFFECT OF PRESIDENTIAL CERTIFICATION ON  
25 COMMISSION DELIBERATIONS.—The Commission shall be  
26 bound by the President’s privatization certification made

1 pursuant to section 613 for purposes of any license appli-  
2 cation, including space segment and Earth station applica-  
3 tions, pending before the Federal Communications Com-  
4 mission which pertains to a privatized INTELSAT's entry  
5 into the United States market.

6 **“SEC. 614. FAILURE TO PRIVATIZE IN A TIMELY MANNER.**

7 “(a) REPORT.—In the event that INTELSAT fails  
8 to fully privatize as provided in sections 611 and 612 by  
9 January 1, 2002, the President shall—

10 (1) immediately commence deliberations to de-  
11 termine what additional measures should be imple-  
12 mented to ensure the rapid privatization of  
13 INTELSAT;

14 (2) no later than March 31, 2002, issue a re-  
15 port delineating such measures to the Committee on  
16 Commerce of the House of Representatives, and  
17 Committee on Commerce, Science, and Transpor-  
18 tation of the Senate; and

19 (3) withdraw as a Party from INTELSAT.

20 “(b) RESERVATION CLAUSE.—The President may de-  
21 termine that, in consideration of progress made, it is in  
22 the national interest of the United States to provide a rea-  
23 sonable extension of time for completion of privatization.

1 **“Subtitle C—COMSAT Governance**  
2 **and Operation**

3 **“SEC. 621. ELIMINATION OF PRIVILEGES AND IMMUNITIES.**

4 “(a) IN GENERAL.—COMSAT shall not have any  
5 privilege or immunity on the basis of its status as a signa-  
6 tory or a representative of the Party to INTELSAT, ex-  
7 cept that COMSAT retains its privileges and  
8 immunities—

9 “(1) for those actions taken in its role as the  
10 United States signatory to INTELSAT upon in-  
11 struction of the United States Government;

12 “(2) for actions taken when acting as the  
13 United States signatory in fulfilling obligations  
14 under the INTELSAT Operating Agreement;

15 “(3) for INTELSAT signatory activities which  
16 COMSAT does not support; and

17 “(4) in accordance with any other exceptions as  
18 the President shall make in accordance with sub-  
19 section (b).

20 “(b) EXCEPTIONS.—The President, or the Presi-  
21 dent’s designee, shall ensure that any action authorized  
22 by the exception is consistent with the purposes of this  
23 Act and COMSAT’s responsibilities as the United States  
24 signatory.

1       “(c) NO JOINT OR SEVERAL LIABILITY.—If COM-  
2 SAT is found liable for any action taken in its status as  
3 a signatory or a representative of the Party to  
4 INTELSAT, any such liability shall be limited to the por-  
5 tion of the judgment that corresponds to COMSAT’s per-  
6 centage of the responsibility, as determined by the trier  
7 of fact.

8       “(d) PROSPECTIVE EFFECT OF ELIMINATION.—The  
9 elimination of privileges and immunities contained in this  
10 section shall apply only to actions or decisions taken by  
11 COMSAT after the date of enactment of this section.

12 **“SEC 622. ABRIGATION OF CONTRACTS PROHIBITED.**

13       “Nothing in this Act or the Communications Act of  
14 1934 (47 U.S.C. 151 et seq.) shall be construed to modify  
15 or invalidate any contract or agreement involving COM-  
16 SAT, INTELSAT, or any terms or conditions of such  
17 agreement in force on the date of enactment of the Open-  
18 market Reorganization for the Betterment of Inter-  
19 national Telecommunications Act, or to give the Commis-  
20 sion authority, by rule-making or any other means, to in-  
21 validate any such contract or agreement, or any terms and  
22 conditions of such contract or agreement.

23 **“SEC. 623. PERMITTED COMSAT INVESTMENT.**

24       “Nothing in this Act shall be construed as precluding  
25 COMSAT from investing in or owning satellites or other



1 facilities independent from INTELSAT, or from providing  
2 services through reselling capacity over the facilities of  
3 satellite systems independent from INTELSAT. This sec-  
4 tion shall not be construed as restricting the types of con-  
5 tracts which can be executed or services which may be pro-  
6 vided by COMSAT over the independent satellites or facili-  
7 ties described in this subsection.

## 8 **“Subtitle D—General Provisions**

### 9 **“SEC. 631. PROMOTION OF EFFICIENT USE OF ORBITAL** 10 **SLOTS AND SPECTRUM.**

11 “All satellite system operators authorized to access  
12 the United States market shall make efficient and timely  
13 use of orbital and spectrum resources in order to ensure  
14 that these resources are not warehoused to the detriment  
15 of other new or existing satellite system operators. Where  
16 these assurances cannot be provided, satellite system oper-  
17 ators shall relinquish their rights to these resources.

### 18 **“SEC. 632. PROHIBITION ON PROCUREMENT PREF-** 19 **ERENCES.**

20 “Nothing in this title or the Communications Act of  
21 1934 (47 U.S.C. 151 et seq.) shall be construed to author-  
22 ize or require any preference in Federal Government pro-  
23 curement of telecommunications services, for the satellite  
24 space segment provided by INTELSAT, nor shall any-  
25 thing in this title or the Communications Act of 1934 be

1 construed to result in a bias against the use of  
2 INTELSAT through existing or future contract awards.

3 **“SEC. 633. SATELLITE AUCTIONS.**

4 “Notwithstanding any other provision of law, the  
5 Commission shall not assign by competitive bidding orbital  
6 locations or spectrum used for the provision of inter-  
7 national or global satellite communications services. The  
8 President shall oppose in the International Telecommuni-  
9 cations Union and in other bilateral and multilateral fora  
10 any assignment by competitive bidding of orbital locations  
11 or spectrum used for the provision of such services.

12 **“SEC. 634. RELATIONSHIPS TO OTHER LAWS.**

13 “Whenever the application of the provisions of this  
14 Act is inconsistent with the provisions of the Communica-  
15 tions Act of 1934, the provisions of this Act shall govern.

16 **“Subtitle E—Definitions**

17 **“SEC. 641. DEFINITIONS.**

18 “(a) IN GENERAL.—In this title:

19 “(1) INTELSAT.—The term ‘INTELSAT’  
20 means the International Telecommunications Sat-  
21 ellite Organization established pursuant to the  
22 Agreement Relating to the International Tele-  
23 communications Satellite Organization  
24 (INTELSAT).

1           “(2) COMSAT.—The term ‘COMSAT’ means  
2 the corporation established pursuant to title III of  
3 this Act.

4           “(3) SIGNATORY.—The term ‘signatory’ means  
5 a Party, or the telecommunications entity designed  
6 by a Party, that has signed the Operating Agree-  
7 ment and for which such Agreement has entered  
8 into force or to which such Agreement has been pro-  
9 visionally applied.

10           “(4) PARTY.—The term ‘Party’ means, in the  
11 case of INTELSAT, a nation for which the  
12 INTELSAT agreement has entered into force or  
13 been provisionally applied.

14           “(5) COMMISSION.—The term ‘Commission’  
15 means the Federal Communications Commission.

16           “(6) INTERNATIONAL TELECOMMUNICATION  
17 UNION.—The term ‘International Telecommuni-  
18 cation Union’ (ITU) means the intergovernmental  
19 organization that is a specialized agency of the  
20 United Nations in which member countries cooper-  
21 ate for the development of telecommunications, in-  
22 cluding adoption of international regulations govern-  
23 ing terrestrial and space uses of the frequency spec-  
24 trum as well as use of the geostationary orbital arc.

1           “(7) PRIVATIZED INTELSAT.—The term  
2           ‘privatized INTELSAT’ means any entity created  
3           from the privatization of INTELSAT from the as-  
4           sets of INTELSAT.

5           “(8) ORBITAL LOCATION.—The term ‘orbital lo-  
6           cation’ means the location for placement of a sat-  
7           ellite in geostationary orbits as defined in the Inter-  
8           national Telecommunication Union Radio Regula-  
9           tions.

10           “(9) SPACE SEGMENT.—The term ‘space seg-  
11           ment’ means the satellites, and the tracking, telem-  
12           etry, command, control, monitoring and related fa-  
13           cilities and equipment used to support the operation  
14           of satellites owned or leased by INTELSAT.

15           “(10) INTELSAT AGREEMENT.—The term  
16           ‘INTELSAT agreement’ means the agreement relat-  
17           ing to the International Telecommunications Sat-  
18           ellite Organization (‘INTELSAT’), including all of  
19           its annexes (TIAS 7532, 23 UST 3813).

20           “(11) OPERATING AGREEMENT.—The term ‘op-  
21           erating agreement’ means, in the case of  
22           INTELSAT, the agreement, including its annex but  
23           excluding all titles of articles, opened for signature  
24           at Washington on August 20, 1971, by Governments  
25           or telecommunications entities designated by Gov-

1 ernments in accordance with the provisions of The  
2 Agreement.

3 “(12) HEADQUARTERS AGREEMENT.—The term  
4 ‘headquarters agreement’ means the binding inter-  
5 national agreement, dated November 24, 1976, be-  
6 tween the United States and INTELSAT covering  
7 privileges, exemptions, and immunities with respect  
8 to the location of INTELSAT’s headquarters in  
9 Washington, D.C.

10 “(13) DIRECT-TO-HOME SATELLITE SERV-  
11 ICES.—The term ‘direct-to-home satellite services’  
12 means the distribution or broadcasting of program-  
13 ming or services by satellite directly to the subscrib-  
14 er’s premises without the use of ground receiving or  
15 distribution equipment, except at the subscriber’s  
16 premises or in the uplink process to the satellite.

17 “(14) SATELLITE DIGITAL AUDIO RADIO SERV-  
18 ICE.—The term ‘satellite digital audio radio service’  
19 means a radiocommunication service in which audio  
20 programming is digitally transmitted by one or more  
21 space stations directly to fixed, mobile, or portable  
22 earth stations, and which may involve complemen-  
23 tary repeating terrestrial transmitters, telemetry,  
24 tracking and control facilities.

1           “(15) DIRECT BROADCAST SATELLITE SERV-  
 2           ICE.—The term ‘direct broadcast satellite service’  
 3           means a radiocommunication service in which sig-  
 4           nals transmitted or retransmitted by space stations  
 5           are intended for direct reception by the general pub-  
 6           lic. In the Direct Broadcast Satellite Service the  
 7           term ‘direct reception’ shall encompass both individ-  
 8           ual reception and community reception.

9           “(16) EXISTING AUTHORIZED SERVICES.—All  
 10          services authorized to be provided by COMSAT via  
 11          the INTELSAT system as of January 1, 1999.

12          “(17) IGO.—The term ‘IGO’ means the Inter-  
 13          governmental Satellite organizations, INTELSAT  
 14          and INMARSAT.

15          “(18) IGO AFFILIATE.—The term ‘IGO affili-  
 16          ate’ means any entity in which an IGO owns an eq-  
 17          uity interest of 10 percent or more.

18          “(b) COMMON TERMS.—Except as otherwise provided  
 19          in subsection (a), terms used in this title that are defined  
 20          in section 3 of the Communications Act of 1934 (47  
 21          U.S.C. 153) have the meaning provided in such section.”.

22          **SEC. 5. REPEAL OF OWNERSHIP AND STRUCTURAL PROVI-**  
 23          **SIONS.**

24          Effective as of the date of the enactment of this Act,  
 25          the following provisions of the Communications Satellite

1 Act of 1962 (47 U.S.C. 701 et seq.) shall cease to be effective:  
2

3 (1) Subsections (a) and (b) of section 201.

4 (2) Paragraphs (1) through (10) of section  
5 201(c).

6 (3) Sections 302, 303, and 304.

7 (4) Section 305(c).

8 (5) Section 402.

9 (6) Section 403(a).

10 (7) Section 404.

11 **SEC. 6. INTERNATIONAL MARITIME SATELLITE TELE-**  
12 **COMMUNICATIONS ACT AMENDMENTS.**

13 (a) CONTINUING PROVISION OF GLOBAL SATELLITE  
14 SAFETY SERVICES AFTER PRIVATIZATION OF BUSINESS  
15 OPERATIONS OF INTERNATIONAL MOBILE SATELLITE  
16 ORGANIZATION.—

17 (1) AUTHORITY.—The International Maritime  
18 Satellite Telecommunications Act (47 U.S.C. 751 et  
19 seq.) is amended by adding at the end the following:

20 **“SEC. 506. GLOBAL SATELLITE SAFETY SERVICES AFTER**  
21 **PRIVATIZATION OF BUSINESS OPERATIONS**  
22 **OF INMARSAT.**

23 “In order to ensure the continued provision of global  
24 maritime distress and safety satellite telecommunications  
25 services after privatization of the business operations of

1 INMARSAT, the President may maintain on behalf of the  
2 United States membership in the International Mobile  
3 Satellite Organization.”.

4 (b) REPEAL OF SUPERSEDED AUTHORITY.—

5 (1) REPEAL.—That Act is further amended by  
6 striking sections 502, 503, 504, and 505 (47 U.S.C.  
7 751, 752, 753, and 757).

8 (2) EFFECTIVE DATE.—The amendments made  
9 by paragraph (1) shall take effect on the date on  
10 which the International Mobile Satellite Organiza-  
11 tion ceases to operate directly a global mobile sat-  
12 ellite system.

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