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(1) It holds equity (including all stockholdings, whether voting or nonvoting, common or preferred) and debt interest or interests, in the aggregate, exceed thirty-three (33) percent of the total asset value (defined as the aggregate of all equity plus all debt) of that entity, or

(2) It holds a controlling interest in that entity, or is the subsidiary of a party holding a controlling interest in that entity, within the meaning of 47 CFR 1.2110(b)(2).

(3) For purposes of paragraphs (c)(1) and (c)(2) of this section, ownership interests shall be calculated on a fully diluted basis, *i.e.*, all agreements, such as warrants, stock options, and convertible debentures, will generally be treated as if the rights thereunder already have been fully exercised.

(d) In the event that a licensee misses three or more milestones within any three-year period, the Commission will presume that the licensee obtained one or more of those licenses for speculative purposes. Unless the licensee rebuts this presumption, it will not be permitted to apply for a GSO-like satellite or an NGSO-like satellite system in any frequency band if it has two or more satellite applications pending, or two licensed-but-unbuilt satellite systems of any kind. This limit will remain in effect until the licensee provides adequate information to demonstrate that it is very likely to construct its licensed facilities if it were allowed to file more applications.

(e) For purposes of this section, ''frequency band'' means one of the paired frequency bands available for satellite service listed in § 25.202.

[68 FR 51506, Aug. 27, 2003]

FORFEITURE, TERMINATION, AND REINSTATEMENT OF STATION AUTHORIZATION

§ 25.160 Administrative sanctions.

(a) A forfeiture may be imposed for failure to operate in conformance with the Communications Act, license specifications, any conditions imposed on an authorization, or any of the Commission's rules and regulations; or for failure to comply with Commission requests for information needed to complete international coordination or for failure to cooperate in Commission investigations with respect to international coordination.

(b) A forfeiture will be imposed and the station license may be terminated for the malicious transmissions of any signal that causes harmful interference with any other radio communications or signals.

(c) A station license may be revoked for any repeated and willful violation of the kind set forth in paragraphs (a) and (b) of this section.

(d) The sanctions specified in paragraphs (a), (b), and (c) of this section will be imposed only after the licensee has been provided an opportunity to be heard pursuant to titles III and V of the Communications Act of 1934, as amended.

(e) For purposes of this section, the term ''repeated'' and ''willful'' are defined as set out in section 312(f) of the Communications Act, 47 U.S.C. 312(f).

§ 25.161 Automatic termination of station authorization.

A station authorization shall be automatically terminated in whole or in part without further notice to the licensee upon:

(a)(1) Failure to meet any applicable milestone for implementation of the licensed satellite system specified in §§ 25.164(a) and/or (b), without demonstrating that the failure was caused by circumstances beyond the licensee's control, or

(2) If there are no applicable milestones for implementation of the licensed satellite system specified in §§ 25.164(a) and/or (b), the expiration of the required date of completion of construction or other required action specified in the authorization, or after any additional time authorized by the Commission, if a certification of completion of the required action has not been filed with the Commission unless a request for an extension of time has been filed with the Commission but has not been acted on.

(b) The expiration of the license period, unless an application for renewal of the license has been filed with the Commission pursuant to § 25.120(e); or

(c) The removal or modification of the facilities which renders the station

not operational for more than 90 days, unless specific authority is requested.

[56 FR 24016, May 28, 1991, as amended at 68 FR 51507, Aug. 27, 2003]

§ 25.162 Cause for termination of interference protection.

The protection from interference afforded by the registration of a receiving earth station shall be automatically terminated if:

(a) The request for registration is not submitted to the Commission within 3 months of the completion of the frequency coordination process, except as provided for in § 25.203;

(b) The receiving earth station is not constructed and placed into service within 6 months after completion of coordination;

(c) The Commission finds that the station has been used less than 50% of the time during any 12 month period;

(d) The Commission finds that the station has been used for an unlawful purpose or otherwise in violation of the Commission's rules, regulations or policies;

(e) The Commission finds that the actual use of the facility is inconsistent with what was set forth in the registrant's application; or

(f) The Commission finds that the frequency coordination exhibit, upon which the granted registration is based, is incomplete or does not conform with established coordination procedures.

§ 25.163 Reinstatement.

(a) A station authorization terminated in whole or in part under the provisions of § 25.161 may be reinstated if the Commission, in its discretion, determines that reinstatement would best serve the public interest, convenience and necessity. Petitions for reinstatement will be considered only if:

(1) The petition is filed within 30 days after the expiration date set forth in § 25.161(a) or § 25.161(b), whichever is applicable;

(2) The petition explains the failure to file a timely notification or renewal application; and

(3) The petition sets forth with specificity the procedures which have been established to insure timely filings in the future.

(b) A special temporary authorization shall automatically terminate upon the expiration date specified therein, or upon failure of the grantee to comply with any special terms or conditions set forth in the authorization. Temporary operation may be extended beyond the termination date only upon application to the Commission.

§ 25.164 Milestones.

(a) Licensees of geostationary orbit satellite systems other than DBS and DARS satellite systems, including GSO MSS satellite systems, licensed on or after August 27, 2003 will be required to comply with the schedule set forth in paragraphs (a)(1) through (a)(4) of this section in implementing their satellite systems, unless a different schedule is established by Title 47, Chapter I, or by Commission Order, or by Order adopted pursuant to delegated authority. These dates are to be measured from the date the license is issued.

(1) *One year:* Enter into a binding non-contingent contract to construct the licensed satellite system.

(2) *Two years:* Complete the critical design review of the licensed satellite system.

(3) *Three years:* Begin the construction of the satellite.

(4) *Five years:* Launch and operate the satellite.

(b) Licensees of non-geostationary orbit satellite systems other than DBS and DARS satellite systems licensed on or after September 11, 2003, will be required to comply with the schedule set forth in paragraphs (b)(1) through (b)(5) of this section in implementing their satellite systems, unless a different schedule is established by Title 47, Chapter I, or by Commission Order, or by Order adopted pursuant to delegated authority. These dates are to be measured from the date the license is issued.

(1) *One year:* Enter into a binding non-contingent contract to construct the licensed satellite system.

(2) *Two years:* Complete the critical design review of the licensed satellite system.

(3) *Two years, six months:* Begin the construction of the first satellite in the licensed satellite system.

(4) *Three years, six months:* Launch and operate the first satellite in the licensed satellite system.

(5) *Six years:* Bring all the satellites in the licensed satellite system into operation.

(c) Licensees of all satellite systems, other than DBS and DARS satellite systems, licensed on or after September 11, 2003, will be required to submit a copy of their binding non-contingent contract with the Commission on or before the date scheduled for entering into such a contract.

(d) Licensees of all satellite systems, other than DBS and DARS satellite systems, licensed on or after September 11, 2003, will be required to submit information to the Commission sufficient to demonstrate that the licensee has completed the critical design review of the licensed satellite system on or before the date scheduled for entering into such completion.

(e) Licensees of all satellite systems, other than DBS and DARS satellite systems, licensed on or after September 11, 2003, will be required to submit information to the Commission sufficient to demonstrate that the licensee has commenced physical construction of its licensed spacecraft on or before the date scheduled for such commencement.

(f) In cases where the Commission grants a satellite authorization in different stages, such as a license for a satellite system using feeder links or intersatellite links, the earliest of the milestone schedules shall be applied to the entire satellite system.

(g) Licensees of satellite systems that include both non-geostationary orbit satellites and geostationary orbit satellites, other than DBS and DARS satellite systems, and licensed on or after September 20, 2004 will be required to comply with the schedule set forth in paragraph (a) of this section with respect to the geostationary orbit satellites, and with the schedule set forth in paragraph (b) of this section with respect to the non-geostationary orbit satellites.

[68 FR 51507, Aug. 27, 2003, as amended at 69 FR 51587, Aug. 20, 2004]

§ 25.165 Posting of bonds.

(a) For all satellite licenses issued after September 20, 2004, other than DBS licenses, DARS licenses, and replacement satellite licenses as defined in paragraph (e), the licensee is required to post a bond within 30 days of the grant of its license. Failure to post a bond will render the license null and void automatically.

(1) NGSO licensees are required to post a bond in the amount of $5 million.

(2) GSO licensees are required to post a bond in the amount of $3 million.

(3) Licensees of satellite systems including both NGSO satellites and GSO satellites that operate in the same frequency bands as the NGSO satellites are required to post a bond in the amount of $5 million.

(b) The licensee must use a surety company deemed acceptable within the meaning of 31 U.S.C. 9304 *et seq.* (*See, e.g.*, Department of Treasury Fiscal Service, Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and As Acceptable Reinsurance Companies, 57 FR 29356, July 1, 1992.) The bond must name the U.S. Treasury as beneficiary in the event of the licensee's default. The licensee must provide the Commission with a copy of the performance bond, including all details and conditions.

(c) A licensee will be considered to be in default if it fails to meet any milestone deadline set forth in § 25.164, and, at the time of milestone deadline, the licensee has not provided a sufficient basis for extending the milestone.

(d) A GSO licensee will be permitted to reduce the amount of the bond by $750,000 upon successfully meeting a milestone deadline set forth in section 25.164(a) of this chapter. An NGSO licensee will be permitted to reduce the amount of the bond by $1 million upon successfully meeting a milestone deadline set forth in section 25.164(b) of this chapter.

(e) A replacement satellite is one that is:

(1) Authorized to be operated at the same orbit location, in the same frequency bands, and with the same coverage area as one of the licensee's existing satellites, and

(2) Scheduled to be launched so that it will be brought into use at approximately the same time as, but no later than, the existing satellite is retired.

[68 FR 51507, Aug. 27, 2003, as amended at 69 FR 51587, Aug. 20, 2004]

Subpart C—Technical Standards

SOURCE: 30 FR 7176, May 28, 1965; 36 FR 2562, Feb. 6, 1971, unless otherwise noted.

§ 25.201 Definitions.

Definitions for terms in subpart C of this part appear in this section, and in § 2.1 of this chapter.

1.6/2.4 GHz Mobile-Satellite Service. A mobile-satellite service that operates in the 1610–1626.5 MHz and 2483.5–2500 MHz frequency bands, or in any portion thereof.

2 GHz Mobile Satellite Service. A mobile-satellite service that operated in the 2000–2020 MHz and 2180–2200 MHz frequency bands, or in any portion thereof.

17/24 GHz Broadcasting-Satellite Service. A radiocommunications service using geostationary satellites between one or more feeder link earth stations and other earth stations, in the 17.3—17.7 GHz (space-to-Earth) (domestic allocation), 17.3—17.8 GHz (international allocation) and 24.75—25.25 GHz frequency bands. This service is also known as ''17/24 GHz BSS.'' For purposes of the application processing provisions of this part, 17/24 GHz BSS is a GSO-like service. For purposes of the technical requirements of this part, we will treat 17/24 GHz BSS as if it were FSS. Unless specifically stated otherwise, the 17/24 GHz BSS systems are subject to the rules in this part applicable to FSS.

Active satellite. An earth satellite carrying a station intended to transmit or re-transmit radiocommunication signals.

Ambulatory. Not stationary. Baselines from which maritime boundaries are measured change with accretion- and erosion-caused ambulation of the boundaries themselves.

Ancillary terrestrial component. The term ''ancillary terrestrial component'' means a terrestrial communications network used in conjunction with a qualifying satellite network system authorized pursuant to these rules and the conditions established in the Orders issued in IB Docket No. 01–185, *Flexibility for Delivery of Communications by Mobile Satellite Service Providers in the 2 GHz Band, the L-Band, and the 1.6/2.4 GHz Band.*

Ancillary terrestrial component base station. The term ''ancillary terrestrial component base station'' means a terrestrial fixed facility used to transmit communications to or receive communications from one or more ancillary terrestrial component mobile terminals.

Ancillary terrestrial component mobile terminal. The term ''ancillary terrestrial component mobile terminal'' means a terrestrial mobile facility used to transmit communications to or receive communications from an ancillary terrestrial component base station or a space station.

Base Earth Station. An earth station in the fixed-satellite service or, in some cases, in the land mobile-satellite service, located at a specified fixed point or within a specified area on land to provide a feeder link for the land mobile-satellite service. (RR)

Baseline. The line from which maritime zones are measured, also known as the coast line. The baseline is a combination of the low-water line (''low-tide elevation'') and closing lines across the mouths of inland water bodies. The baseline is defined by a series of baseline points. The baseline points are not just the low-water marks of the shore of mainland but also includes islands and ''low-water elevations'' (*i.e.*, natural rocks). Baseline points are ambulatory, and thus, require adjustment from time-to-time by the U.S. Department of State's Baseline Committee.

C-band. For purposes of this part, the terms ''C-band'' and ''conventional C-band'' refer specifically to the 3700–4200 MHz downlink and 5925–6425 MHz uplink frequency bands. These paired bands are allocated to the Fixed-Satellite Service and are also referred to as the 4/6 GHz band(s).

Coordination distance. For the purposes of this part, the expression ''coordination distance'' means the distance from an earth station, within which there is a possibility of the use