

paragraph (B) in a manner that will, or is reasonably likely to, result in limitation, denial, or revocation of authority for non-core services that are used by and required for a national security agency or law enforcement department or agency of the United States, or used by and required for, and otherwise in the public interest, any other Department or Agency of the United States to protect the health and safety of the public. Such services may be obtained by the United States directly from INTELSAT, Inmarsat, or a successor entity, or indirectly through COMSAT, or authorized carriers or distributors of the successor entity.

(D) Rule of construction

Nothing in this subsection is intended to preclude the Commission from acting upon applications of INTELSAT, Inmarsat, or their successor entities prior to the latest date set out in section 763(5)(A) of this title, including such actions as may be necessary for the United States to become the licensing jurisdiction for INTELSAT, but the Commission shall condition a grant of authority pursuant to this subsection upon compliance with sections 763 and 763a of this title.

(2) Criteria for competition test

In making the determination required by paragraph (1), the Commission shall use the licensing criteria in sections 763, 763a, and 763c¹ of this title, and shall determine that competition in the telecommunications markets of the United States will be harmed unless the Commission finds that the privatization referred to in paragraph (1) is consistent with such criteria.

(3) Clarification: competitive safeguards

In making its licensing decisions under this subsection, the Commission shall consider whether users of non-core services provided by INTELSAT or Inmarsat or successor or separated entities are able to obtain non-core services from providers offering services other than through INTELSAT or Inmarsat or successor or separated entities, at competitive rates, terms, or conditions. Such consideration shall also include whether such licensing decisions would require users to replace equipment at substantial costs prior to the termination of its design life. In making its licensing decisions, the Commission shall also consider whether competitive alternatives in individual markets do not exist because they have been foreclosed due to anticompetitive actions undertaken by or resulting from the INTELSAT or Inmarsat systems. Such licensing decisions shall be made in a manner which facilitates achieving the purposes and goals in this subchapter and shall be subject to notice and comment.

(c) Additional considerations in determinations

In making its determinations and licensing decisions under subsections (a) and (b), the Commission shall construe such subsections in a manner consistent with the United States obligations and commitments for satellite services

under the Fourth Protocol to the General Agreement on Trade in Services.

(d) Independent facilities competition

Nothing in this section shall be construed as precluding COMSAT from investing in or owning satellites or other facilities independent from INTELSAT and Inmarsat, and successor or separated entities, or from providing services through reselling capacity over the facilities of satellite systems independent from INTELSAT and Inmarsat, and successor or separated entities. This subsection shall not be construed as restricting the types of contracts which can be executed or services which may be provided by COMSAT over the independent satellites or facilities described in this subsection.

(Pub. L. 87-624, title VI, §601, as added Pub. L. 106-180, §3, Mar. 17, 2000, 114 Stat. 48.)

Editorial Notes

REFERENCES IN TEXT

Section 763b of this title, referred to in subsec. (a)(2), was repealed by Pub. L. 109-34, §2, July 12, 2005, 119 Stat. 377.

Section 763c of this title, referred to in subsec. (b)(2), was amended generally by Pub. L. 109-34, §3, July 12, 2005, 119 Stat. 377, and no longer relates to specific criteria for Inmarsat privatization.

Statutory Notes and Related Subsidiaries

PURPOSE

Pub. L. 106-180, §2, Mar. 17, 2000, 114 Stat. 48, provided that: "It is the purpose of this Act [see Short Title of 2000 Amendment note set out under section 701 of this title] to promote a fully competitive global market for satellite communication services for the benefit of consumers and providers of satellite services and equipment by fully privatizing the intergovernmental satellite organizations, INTELSAT and Inmarsat."

§ 761a. Incentives; limitation on expansion pending privatization

(a) Limitation

Until INTELSAT, Inmarsat, and their successor or separate entities are privatized in accordance with the requirements of this subchapter, INTELSAT, Inmarsat, and their successor or separate entities, respectively, shall not be permitted to provide additional services. The Commission shall take all necessary measures to implement this requirement, including denial by the Commission of licensing for such services.

(b) Orbital location incentives

Until such privatization is achieved, the United States shall oppose and decline to facilitate applications by such entities for new orbital locations to provide such services.

(Pub. L. 87-624, title VI, §602, as added Pub. L. 106-180, §3, Mar. 17, 2000, 114 Stat. 50.)

PART B—FEDERAL COMMUNICATIONS COMMISSION
LICENSING CRITERIA: PRIVATIZATION CRITERIA

§ 763. General criteria to ensure a pro-competitive privatization of INTELSAT and Inmarsat

The President and the Commission shall secure a pro-competitive privatization of

INTELSAT and Inmarsat that meets the criteria set forth in this section and sections 763a through 763c¹ of this title. In securing such privatizations, the following criteria shall be applied as licensing criteria for purposes of part A:

(1) Dates for privatization

Privatization shall be obtained in accordance with the criteria of this subchapter of—

(A) INTELSAT as soon as practicable, but no later than April 1, 2001; and

(B) Inmarsat as soon as practicable, but no later than July 1, 2000.

(2) Independence

The privatized successor entities and separated entities of INTELSAT and Inmarsat shall operate as independent commercial entities, and have a pro-competitive ownership structure. The successor entities and separated entities of INTELSAT and Inmarsat shall conduct an initial public offering in accordance with paragraph (5) to achieve such independence. Such offering shall substantially dilute the aggregate ownership of such entities by such signatories or former signatories. In determining whether a public offering attains such substantial dilution, the Commission shall take into account the purposes and intent, privatization criteria, and other provisions of this subchapter, as well as market conditions. No intergovernmental organization, including INTELSAT or Inmarsat, shall have—

(A) an ownership interest in INTELSAT or the successor or separated entities of INTELSAT; or

(B) more than minimal ownership interest in Inmarsat or the successor or separated entities of Inmarsat.

(3) Termination of privileges and immunities

The preferential treatment of INTELSAT and Inmarsat shall not be extended to any successor entity or separated entity of INTELSAT or Inmarsat. Such preferential treatment includes—

(A) privileged or immune treatment by national governments;

(B) privileges or immunities or other competitive advantages of the type accorded INTELSAT and Inmarsat and their signatories through the terms and operation of the INTELSAT Agreement and the associated Headquarters Agreement and the Inmarsat Convention; and

(C) preferential access to orbital locations.

Access to new, or renewal of access to, orbital locations shall be subject to the legal or regulatory processes of a national government that applies due diligence requirements intended to prevent the warehousing of orbital locations.

(4) Prevention of expansion during transition

During the transition period prior to privatization under this subchapter, INTELSAT and Inmarsat shall be precluded from expanding into additional services.

(5) Conversion to stock corporations

Any successor entity or separated entity created out of INTELSAT or Inmarsat shall be a national corporation or similar accepted commercial structure, subject to the laws of the nation in which incorporated, as follows:

(A) An initial public offering of securities of any successor entity or separated entity—

(i) shall be conducted, for the successor entities of INTELSAT, on or about June 30, 2005, except that the Commission may extend this deadline in consideration of market conditions and relevant business factors relating to the timing of an initial public offering, but such extensions shall not permit such offering to be conducted later than December 31, 2005; and

(ii) shall be conducted, for the successor entities of Inmarsat, not later than June 30, 2005, except that the Commission may extend this deadline to not later than December 31, 2004.

(B) The shares of any successor entities and separated entities shall be listed for trading on one or more major stock exchanges with transparent and effective securities regulation.

(C) A majority of the members of the board of directors of any successor entity or separated entity shall not be directors, employees, officers, or managers or otherwise serve as representatives of any signatory or former signatory. No member of the board of directors of any successor or separated entity shall be a director, employee, officer or manager of any intergovernmental organization remaining after the privatization.

(D) Any successor entity or separated entity shall—

(i) have a board of directors with a fiduciary obligation;

(ii) have no officers or managers who are officers or managers of any signatories or former signatories; and

(iii) have no directors, officers, or managers who hold such positions in any intergovernmental organization.

(E) Any transactions or other relationships between or among any successor entity, separated entity, INTELSAT, or Inmarsat shall be conducted on an arm's length basis.

(F) Notwithstanding subparagraphs (A) and (B), a successor entity may be deemed a national corporation and may forgo an initial public offering and public securities listing and still achieve the purposes of this section if—

(i) the successor entity certifies to the Commission that—

(I) the successor entity has achieved substantial dilution of the aggregate amount of signatory or former signatory financial interest in such entity;

(II) any signatories and former signatories that retain a financial interest in such successor entity do not possess, together or individually, effective control of such successor entity; and

(III) no intergovernmental organization has any ownership interest in a suc-

¹ See References in Text note below.

cessor entity of INTELSAT or more than a minimal ownership interest in a successor entity of Inmarsat;

(ii) the successor entity provides such financial and other information to the Commission as the Commission may require to verify such certification; and

(iii) the Commission determines, after notice and comment, that the successor entity is in compliance with such certification.

(G) For purposes of subparagraph (F), the term “substantial dilution” means that a majority of the financial interests in the successor entity is no longer held or controlled, directly or indirectly, by signatories or former signatories.

(6) Regulatory treatment

Any successor entity or separated entity created after March 17, 2000, shall apply through the appropriate national licensing authorities for international frequency assignments and associated orbital registrations for all satellites.

(7) Competition policies in domiciliary country

Any successor entity or separated entity shall be subject to the jurisdiction of a nation or nations that—

(A) have effective laws and regulations that secure competition in telecommunications services;

(B) are signatories of the World Trade Organization Basic Telecommunications Services Agreement; and

(C) have a schedule of commitments in such Agreement that includes non-discriminatory market access to their satellite markets.

(Pub. L. 87-624, title VI, §621, as added Pub. L. 106-180, §3, Mar. 17, 2000, 114 Stat. 51; amended Pub. L. 107-77, title VI, §628, Nov. 28, 2001, 115 Stat. 804; Pub. L. 107-233, §1, Oct. 1, 2002, 116 Stat. 1480; Pub. L. 108-39, §2, June 30, 2003, 117 Stat. 835; Pub. L. 108-228, §1, May 18, 2004, 118 Stat. 644; Pub. L. 108-371, §1, Oct. 25, 2004, 118 Stat. 1752; Pub. L. 109-34, §1, July 12, 2005, 119 Stat. 377.)

Editorial Notes

REFERENCES IN TEXT

Section 763b of this title, referred to in text, was repealed by Pub. L. 109-34, §2, July 12, 2005, 119 Stat. 377.

Section 763c of this title, referred to in text, was amended generally by Pub. L. 109-34, §3, July 12, 2005, 119 Stat. 377, and no longer relates to specific criteria for Inmarsat privatization.

AMENDMENTS

2005—Par. (5)(D)(ii). Pub. L. 109-34, §1(1), (2), struck out subcl. (I) designation after “managers who” and substituted “signatories; and” for “signatories, or (II) have any direct financial interest in or financial relationship to any signatories or former signatories, except that such interest may be managed through a blind trust or similar mechanism;”.

Par. (5)(D)(iii). Pub. L. 109-34, §1(3), substituted “organization.” for “organization; and”.

Par. (5)(D)(iv). Pub. L. 109-34, §1(4), struck out cl. (iv) which read as follows: “in the case of a separated enti-

ty, have no officers or directors, who (I) are officers or managers of any intergovernmental organization, or (II) have any direct financial interest in or financial relationship to any international organization, except that such interest may be managed through a blind trust or similar mechanism.”

2004—Par. (5)(A)(i). Pub. L. 108-228 substituted “June 30, 2005” for “December 31, 2003” and “December 31, 2005” for “June 30, 2004”.

Par. (5)(A)(ii). Pub. L. 108-371, §1(1), substituted “June 30, 2005” for “June 30, 2004”.

Par. (5)(F), (G). Pub. L. 108-371, §1(2), added subpars. (F) and (G).

2003—Par. (5)(A)(ii). Pub. L. 108-39 substituted “June 30, 2004” for “December 31, 2002” and “December 31, 2004” for “June 30, 2003”.

2002—Par. (5)(A)(i). Pub. L. 107-233 substituted “December 31, 2003,” for “October 1, 2001,” and “June 30, 2004;” for “December 31, 2002;”.

2001—Par. (5)(A)(ii). Pub. L. 107-77 substituted “not later than December 31, 2002, except that the Commission may extend this deadline to not later than June 30, 2003” for “on or about October 1, 2000, except that the Commission may extend this deadline in consideration of market conditions and relevant business factors relating to the timing of an initial public offering, but to no later than December 31, 2001”.

Statutory Notes and Related Subsidiaries

IMMIGRATION STATUS OF ALIEN EMPLOYEES OF INTELSAT AFTER PRIVATIZATION

Title III of Pub. L. 106-396, Oct. 30, 2000, 114 Stat. 1645, provided for maintenance of nonimmigrant and special immigrant status of alien employees of INTELSAT and their immediate family members after privatization, and for treatment of employment for purposes of obtaining immigrant status as a multinational executive or manager.

§ 763a. Specific criteria for INTELSAT

In securing the privatizations required by section 763 of this title, the following additional criteria with respect to INTELSAT privatization shall be applied as licensing criteria for purposes of part A:

(1)¹ TECHNICAL COORDINATION UNDER INTELSAT AGREEMENTS.—Technical coordination shall not be used to impair competition or competitors, and shall be conducted under International Telecommunication Union procedures and not under Article XIV(d) of the INTELSAT Agreement.

(Pub. L. 87-624, title VI, §622, as added Pub. L. 106-180, §3, Mar. 17, 2000, 114 Stat. 53.)

§ 763b. Repealed. Pub. L. 109-34, §2, July 12, 2005, 119 Stat. 377

Section, Pub. L. 87-624, title VI, §623, as added Pub. L. 106-180, §3, Mar. 17, 2000, 114 Stat. 53, related to specific criteria for INTELSAT separated entities.

§ 763c. Space segment capacity of the GMDSS

The United States shall preserve the space segment capacity of the GMDSS. This section is not intended to alter the status that the GMDSS would otherwise have under United States laws and regulations of the International Telecommunication Union with respect to spectrum, orbital locations, or other operational parameters, or to be a barrier to competition for the provision of GMDSS services.

¹ So in original. No par. (2) has been enacted.