

**Separate Statement
of
Commissioner James H. Quello**

May 9, 1996

Re: Amendment to the Commission's Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Satellite Service in the United States and Amendment of Section 25.131 of the Commission's Rules and Regulations to Eliminate the Licensing Requirements for Certain International Receive-Only Earth Stations and Communications Satellite Corporation Request for Waiver of Section 25.131(j)(1) of the Commission's Rules as it Applies to Services Provided via the INTELSAT K Satellite (IB Docket No. 96 - , CC Docket No. 93-23, RM-7931, File No. ISP-92-007).

This *Notice of Proposed Rule Making*, known as "DISCO II,"¹ is the logical outgrowth of two recent Commission decisions: (1) The "Foreign Carrier Entry Order,"² in which we promulgated the "ECO-test" for market entry and regulation of foreign-affiliated entities, and (2) "DISCO I,"³ in which we amended the regulatory policies governing domestic fixed satellites and separate satellite systems.

The policy goal of these three proceedings (the instant matter and its twin progenitors) is to ensure the competitiveness of U.S. communications markets for satellite delivered services by employing an explicit effect-on-competition analysis as part of our overall public interest analysis. Rather than looking to a single factor (*e.g.*, "reciprocity") when considering the entry of foreign-owned or -affiliated entities, we will weigh the *de facto* and *de jure* conditions in the foreign home markets. The United States has advanced this position consistently and forcefully in several international fora, including trade talks. It is particularly important to facilitate opening foreign markets in what is the largest growth area of the world economy -- communications services in this "Information Age".

Commentors will note that this item is long on questions and short on tentative conclusions. This is as it should be when we give notice of proposed rules in a complex subject area. We seek the affected industries' expertise in applying a competitive trade analysis to inherently global communications services. Let no one doubt, however, this Commission's resolve to continue to press for access to foreign markets for our domestic providers.

¹ 'DISCO' is the acronym for Domestic International Satellite Consolidation Order.

² *Market Entry and Regulation of Foreign-Affiliated Entities, Report and Order*, IB Docket No. 95-92, FCC 95-475 (rel. Nov. 30, 1995).

³ *Amendment to the Commission's Regulatory Policies Governing Domestic Fixed Satellites and Separate International Satellite Systems, Report and Order*, IB Docket No. 95-41, FCC 96-14 (rel. Jan. 22, 1996).

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