

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of	)	
	)	
VISION ACCOMPLISHED, INC.	)	FCC File No. 970-DSE-MP/L-95
	)	
Application to modify license to establish	)	
channels of communications between the	)	
U.S. and Japan via Japan Satellite Systems,	)	
Inc. JCSAT-1 and JCSAT-2 spacecraft	)	

**MEMORANDUM OPINION AND ORDER**

Adopted: November 3, 1995

Released: November 6, 1995

By the Chief, International Bureau:

**Introduction**

1. We hereby grant Vision Accomplished, Inc.'s application to modify its earth station license, Call Sign E900455, to use Japan Satellite Systems, Inc. ("JSAT") JCSAT-1 and JCSAT-2 spacecraft from Hawaii to Japan to provide one-way video and associated audio services with no interconnection to the U.S. public switched network.<sup>1</sup> We dismiss the petitions to deny filed by Columbia Communications Corporation, PanAmSat Corporation, and Orion Network Systems, Inc. ("Petitioners").<sup>2</sup>

**Background**

2. In opposition to Vision Accomplished's application, Petitioners argue that U.S.-licensed

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<sup>1</sup> The associated radio authorization, with relevant conditions, is granted on this date, November 3, 1995 and will be released on November 8, 1995. See Public Notice, November 8, 1995, File No. 970-DSE-MP/L-95, Report Number DS1584.

<sup>2</sup> Vision Accomplished has argued that the petitions of Orion and PanAmSat should be dismissed on procedural grounds because they fail to allege facts sufficient to show that a grant of the application is not within the public interest and because Orion lacks standing to bring the petition. See 47 U.S.C. § 309(d). Because Columbia's arguments encompass those of PanAmSat and Orion, we base our determination on the merits of the arguments presented and find it unnecessary to address Vision Accomplished's procedural arguments.

satellite systems do not have access to the Japanese satellite service market.<sup>3</sup> Columbia asserts that neither the U.S. nor the other international separate satellite systems can directly access earth station facilities in Japan.<sup>4</sup> Instead, U.S. operators are required to provide service to earth station operators through a licensed Type-I international satellite carrier or become a Type-I carrier themselves.<sup>5</sup> In contrast, Japanese satellite systems authorized to do business in the United States would be able to negotiate directly with U.S. earth station licensees.<sup>6</sup> Columbia claims that another principal barrier to doing business in Japan is the practice of *Keiretsu* by which Japanese corporations are organized, through interlocking directorates and shareholding arrangements, into vertically integrated groups of complementary manufacturers, suppliers, and distributors.<sup>7</sup> Columbia also suggests that Japan has engaged in a "calculated and shrewd game of delay" in establishing its regulatory policy or process in order to slow the entrance of international satellite systems into the Japanese market.<sup>8</sup> Columbia and Orion argue that if the Commission does not deny Vision Accomplished's application, it should at least defer action until such time as the ongoing Market Entry proceeding<sup>9</sup> has been concluded.<sup>10</sup>

3. Although PanAmSat initially opposed Vision Accomplished's application, it has since stated that "given the signs pointing toward increasing openness of the Japanese market, [it] no longer opposes the application of Vision Accomplished."<sup>11</sup> Recently, PanAmSat was granted a Type-I international satellite carrier license.<sup>12</sup>

4. Vision Accomplished argues that U.S.-licensed systems have access to the Japanese satellite market. It states that Columbia has at least two contracts in place to link with Japanese carriers to

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<sup>3</sup> Columbia Communications Corporation, Petition to Deny at 1 (filed June 16, 1995) ("Columbia Petition to Deny"); Orion Network Systems, Inc., Petition to Deny at 2-3 (filed June 16, 1995) ("Orion Petition to Deny"); PanAmSat Corporation, Petition to Deny at 1 (filed June 16, 1995).

<sup>4</sup> Columbia Petition to Deny at 1-2.

<sup>5</sup> Id. at 2.

<sup>6</sup> Id. at 7.

<sup>7</sup> Id. at 8-9.

<sup>8</sup> Id. at 4.

<sup>9</sup> Market Entry and Regulation of Foreign-affiliated Entities, 10 F.C.C. Rcd. 4844 (1995) ("Market Entry proceeding").

<sup>10</sup> Columbia Petition to Deny at 9-12; Orion Petition to Deny at 3.

<sup>11</sup> Letter from Joseph A. Godles to Scott Blake Harris, Chief, International Bureau, FCC (September 22, 1995).

<sup>12</sup> Unrelated to the grant of Vision Accomplished's application, PanAmSat has informally raised certain concerns that we will discuss with Japanese officials.

transmit programming or data between the United States and Japan using its U.S. satellite capacity.<sup>13</sup> Although the regulatory structure of the Japanese satellite service market is different in some respects from that of the United States, Vision Accomplished notes that Japanese and U.S. separate satellite systems accessing the Japanese satellite service market are subject to the same Japanese regulations.<sup>14</sup> In order to provide service, all operators -- whether Japanese or non-Japanese -- must connect through a Type-I carrier or become a Type-I carrier.<sup>15</sup> The regulatory procedure to become a Type-I carrier is the same regardless of the applicant's nationality. Vision Accomplished further claims that Columbia has provided no evidence that the Japanese practice of *Keiretsu* exists in the satellite industry or impedes U.S. systems from accessing the Japanese satellite services market.<sup>16</sup>

### Discussion

5. The foundation of the U.S. international satellite policy is the establishment of a global competitive communications environment that provides customers with increased service options, improved quality, and lower rates. This environment should provide U.S. satellite providers with access to foreign markets and the satellite systems of a foreign market access to the U.S. market.<sup>17</sup> Based on the application, petitions, and comments filed in this proceeding, we conclude that U.S.-licensed systems have access to the Japanese satellite service market. In fact, PanAmSat has received a Type-I international satellite carrier license and Columbia currently has two contracts to link with Japanese Type-I carriers to provide satellite service to the United States and to U.S. military bases in the Pacific. At this time, there are no Japanese satellite systems participating in the U.S. satellite service market.

6. None of the arguments raised by the Petitioners demonstrate that U.S.-licensed satellite systems lack access to the Japanese market. First, we do not expect foreign regulatory structures to be identical to that of the United States. Rather, our concern is whether U.S. satellite systems have access to the Japanese market and are not placed at a competitive disadvantage with respect to their Japanese counterparts in the Japanese satellite service market. As evidenced by PanAmSat, U.S. satellite systems are currently participating in the Japanese satellite service market. The Type-I carrier requirement is applied to all satellite systems, Japanese or not. Therefore, U. S. systems are apparently being treated no differently from their Japanese counterparts. Second, the issue before us

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<sup>13</sup> One contract involves the use of the Columbia space segment in conjunction with Japanese ground segment services provided by Kokusai Denshin Denwa, Co., Ltd., a Type-I carrier, for service between Japan and the United States. In accordance with the second contract, Columbia is authorized to provide satellite links among U.S. military bases in the Pacific including several installations in Japan. See Vision Accomplished, Inc. Consolidated Opposition to Petitions to Deny at 5-6 (filed June 29, 1995) ("Vision Accomplished Opposition"); Columbia Petition to Deny at 6-7.

<sup>14</sup> Vision Accomplished Opposition at 8.

<sup>15</sup> *Id.* at 9.

<sup>16</sup> *Id.* at 12.

<sup>17</sup> IDB Worldcom Services, Inc. Application to establish Channels of Communications between the U.S. and Countries of the Former Soviet Union via Statsionar II, 10 F.C.C. Rcd. 7278 ¶ 7 (Int'l Bur. 1995).

concerns the status of Japan's market today and whether U.S.-licensed systems at this time have access. Whether the Japanese government has, in the past, delayed the entrance of foreign operators into its satellite service market is not at issue here. Third, Columbia has provided no evidence that the system of *Keiretsu* exists in the Japanese satellite service market or that it inhibits U.S. satellite systems from accessing that market. Fourth, consideration of Vision Accomplished's application is not premature. Until a new policy is established, we will review applications under existing policy.

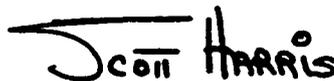
#### Conclusion

7. In summary, based on the record before us, Petitioners have not presented sufficient evidence to substantiate their claims that U.S.-licensed carriers do not have access to the Japanese satellite market. The grant of Vision Accomplished's application will serve the public interest by promoting competition in the global telecommunications marketplace.

#### Ordering Clause

8. Accordingly, IT IS ORDERED that the Application by Vision Accomplished for authority to modify its existing license, Call Sign E900455, to add Japan Satellite Systems, Inc. JCSAT-1 and JCSAT-2 spacecraft as points of one-way communication from Hawaii to Japan to provide video and audio services with no interconnection to the public switched network, File No. 970-DSE-MP/L-95, IS GRANTED in accordance with the terms and representations set forth in its application and this order.

FEDERAL COMMUNICATIONS COMMISSION

A handwritten signature in black ink that reads "SCOTT HARRIS". The signature is stylized, with a large, sweeping initial "S" and the name "HARRIS" written in a similar, slightly slanted font.

Scott Blake Harris  
Chief, International Bureau