

specified conditions. This term shall be applied to the 2310–2360 MHz band for satellite DARS.

(3) *Frequency Assignment.* The term *frequency assignment* refers to the authorization given by the Commission for a radio station to use a radio frequency or radio frequency channel under specified conditions.

(b) *Qualification requirements.* (1) *General requirements.* Each application for a system authorization in the satellite digital audio radio service in the 2310–2360 MHz band shall describe in detail the proposed satellite digital audio radio system, setting forth all pertinent technical and operational aspects of the systems, and the technical, legal, and financial qualifications of the applicant. In particular, satellite DARS applicants must file information demonstrating compliance with § 25.114 and all of the requirements of this section.

(2) *Technical qualifications.* In addition to the information specified in paragraph (b)(1) of this section, each applicant shall:

(i) Identify the service link margin of its satellite DARS system and demonstrate that its system will, in a mobile environment under clear sky conditions, provide that service link margin to the geographical areas it intends to serve;

(ii) Demonstrate that its satellite DARS system is capable of remotely tuning its individual mobile, fixed, and/or portable receivers across the allocated bandwidth 2310–2360 MHz and demonstrate how it will implement the forward signalling command for its receivers to select and tune to any center frequency(ies) in the allocated bandwidth; and

(iii) Identify the coding scheme and coding rate it will use to transmit CD quality audio. If applicable, the applicant shall identify any other audio format(s) it will provide to its end users as well as their associated coding scheme and coding rates. If audio formats which are less than CD quality will be provided, it shall demonstrate that it is capable of transmitting those audio formats at variable data rates which are less than those necessary to produce CD quality audio.

(3) *Financial qualifications.* (i) Each applicant for a space station system authorization in the 2.3 GHz satellite digital audio radio service must demonstrate, on the basis of a detailed business plan, how it proposes to meet the estimated costs of the construction and launch of its proposed space station(s) and the estimated operating expenses for one year after the launch of its space station(s).

(ii) Within one year of license grant, licensees are required to demonstrate full financing of their systems in the form specified in § 25.140 (c) and (d). In addition, applicants relying on current assets or operating income must submit evidence of a management commitment to the proposed satellite system. Failure to make such a showing will result in the dismissal of the application.

(c) *Milestone requirements.* Each applicant for system authorization in the satellite digital audio radio service must demonstrate within 10 days after a required implementation milestone as specified in the system authorization, and on the basis of the documentation contained in its application, certify to the Commission by affidavit that the milestone has been met or notify the Commission by letter that it has not been met. At its discretion, the Commission may require the submission of additional information (supported by affidavit of a person or persons with knowledge thereof) to demonstrate that the milestone has been met. This showing shall include all information described in § 25.140 (c), (d) and (e). The satellite DARS milestones are as follows, based on the date of authorization:

(1) One year: Complete contracting for construction of first space station or begin space station construction.

(2) Two years: If applied for, complete contracting for construction of second space station or begin second space station construction.

(3) Four years: In orbit operation of at least one space station.

(4) Six years: Full operation of the satellite system.

(d) *Reporting requirements.* All operators of satellite digital audio radio service systems, shall, on June 30 of each year, file a report with the International Bureau and the Commission's Laurel, Maryland field office containing the following information:

(1) Status of space station construction and anticipated launch date, including any major problems or delay encountered;

(2) A listing of any non-scheduled space station outages for more than thirty minutes and the cause(s) of such outages; and

(3) Identification of any space station(s) not available for service or otherwise not performing to specifications, the cause(s) of these difficulties, and the date any space station was taken out of service or the malfunction identified.

4. Section 25.201 is amended by adding the definition for Satellite Digital

Audio Radio Service (DARS) in alphabetical order to read as follows:

§ 25.201 Definitions.

* * * * *

Satellite Digital Audio Radio Service (DARS). A radiocommunication service in which compact disc quality audio programming is digitally transmitted by one or more space stations directly to fixed, mobile, and/or portable stations.

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5. Section 25.202 is amended by adding a new paragraph (a)(6), as follows:

§ 25.202 Frequencies, frequency tolerance and emission limitations.

(a) * * *

(6) The following frequencies are available for use by the satellite digital audio radio service:

2310–2360 MHz: space-to-Earth
(primary)

* * * * *

6. A new § 25.214 is added to read as follows:

§ 25.214 Technical requirements for space stations in the satellite digital audio radio service.

(a) Each system authorized under this section will be conditioned upon construction, launch and operation milestones as outlined in § 25.144(c).

The failure to meet any of the milestones contained in an authorization will result in its cancellation, unless such failure is due to circumstances beyond the licensee's control or unless otherwise determined by the Commission upon proper showing by the licensee in any particular case.

(b) Frequency assignments will be made for each satellite DARS system as follows:

(1) All licensees are limited to the allocated bandwidth of 2310–2360 MHz.

(2) [Subject to Decision—Band Segments]

(3) [Subject to Decision—Frequency Assignments]

(4) Each satellite DARS licensee shall reduce its assigned bandwidth occupancy by 0.1 MHz to create two (2) 0.2 MHz assignments adjacent to the edge of the allocated bandwidth for location of telemetry beacons.

(5) Each licensee may employ cross polarization within its exclusive frequency assignment and/or may employ cross polarized transmissions in frequency assignments of other satellite DARS licensees under mutual agreement with those licensees. Licensees who come to mutual agreement to use cross-polarized transmissions shall apply to the