



The Director's Report

From: David Cavossa

August 17, 2005

The Satellite Industry Association (SIA) Director's Report is a weekly executive capsule covering current satellite industry news and events.

Your comments are appreciated. Please contact Mike Beavin at (202) 349-3652.

Member News

The **Satellite Industry Association** (SIA) announces that Joshua Guyan, Special Assistant of Regulatory Affairs, has left SIA to join the Law Offices of Thomas K. Crowe, a telecom firm in DC. Josh joined SIA in Oct. of 2004 and focused on SIA's regulatory and trade agenda, working on issues before the FCC and its counterpart agencies around the world. Josh is a graduate of the George Washington University Law School and a member of the Virginia Bar. SIA Executive Director, David Cavossa, stated, "We are very appreciative of Josh's contributions to the success of SIA's regulatory agenda and we wish him well."

Starsem's Soyuz-Fregat launcher successfully orbited on Sunday **PanAmSat's** Galaxy 14 satellite in an early morning mission from Baikonur Cosmodrome. The flight was performed by Starsem as part of the cooperation with its Arianespace affiliate company, which allows the two launch service providers to best respond to their clients' needs. Galaxy 14 originally had been planned for launch on an Arianespace Ariane 5, and subsequently was switched to Starsem's Soyuz-Fregat to meet PanAmSat's operational requirements. Galaxy 14 is the 24th satellite in PanAmSat's fleet. Although designated a back-up satellite,

the powerful all C-band spacecraft is designed to deliver digital video programming, high-definition television (HDTV), VOD and IPTV service throughout the continental U.S. PanAmSat said Galaxy 14 will also be an additional satellite supporting the company's "Power of Five" antenna program, which provides qualified cable operators with simultaneous access to five Galaxy neighborhood satellites [*Courtesy of SatNews Daily*]

The European Commission has cleared the creation of United Launch Alliance (ULA), a space launch services joint venture, between **Lockheed Martin** and **Boeing**. The EU said the approval was made under the EU Merger Regulation. EU concluded the proposed transaction will not significantly impede effective competition in the European Union. ULA, structured as a 50-50 joint venture, will combine the production, engineering, test and launch operations associated with U.S. government launches of Boeing's Delta and Lockheed's Atlas rockets. ULA is exclusively intended to serve the US government market for launch services. Lockheed Martin's International Launch Services (including Proton) and Boeing Launch Services (including Sea Launch) are not included in the joint venture. [*Courtesy of SatNews Daily*]



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SES Americom and Comcast Media Center (CMC) announced on Wednesday several joint marketing and services agreements to provide centralized solutions to support the cable industry's delivery of advanced services offerings, such as HD, VOD, and VoIP. Under a joint marketing agreement, the two companies are developing a digital transport service that utilizes SES Americom's AMC-4 satellite to distribute digital formats of the most widely distributed cable channels to cable systems offering all-digital video services to their customers. [*Courtesy of SatNews Daily*]

PanAmSat Holding Corp. reported on Tuesday a net loss for the second quarter 2005 of \$32.2 million, or 26 cents per share, compared to net income of \$10.7 million, or 2 cents per share, for the same period in 2004. However, revenue rose 3 percent to \$213.9 million from \$206.9 million and sales from program distribution and video service -- about 60 percent of PanAmSat's total revenue -- increased by 10 percent. The sales growth, however, was offset by charges of \$18.6 million for an interest rate hedge and \$46.5 million from early repayment of debt. PanAmSat's overall interest expense grew to \$101.6 million from \$33.6 million, largely as a result of these costs. PanAmSat, a former unit of DirecTV, was purchased last year by a group including investment firm Kohlberg Kravis Roberts & Co. The company went public in March at \$18 a share. [*Courtesy of SatNews Daily*]

Connexion by Boeing, a business unit of **Boeing**, and Intel recently announced an agreement to enhance and promote high-

speed, in-flight wireless Internet service. As part of the agreement, the companies have successfully completed compatibility testing with common Intel Centrino mobile technology-based laptop configurations, making Connexion by BoeingSM the first in-flight Internet service to be verified through Intel's Wireless Verification Program. Through the Wireless Verification Program, Intel works with wireless service providers to identify and minimize issues related to quality of service, site coverage and downtime that may negatively impact the end-user experience. Connexion by Boeing service is available today on 70 planes and more than 100 daily routes worldwide on Lufthansa Airlines, Scandinavian Airlines, Japan Airlines, ANA, Singapore Airlines and China Airlines. In addition, Austrian Airlines, Korean Air, El Al, Asiana and Etihad will soon begin offering the high-speed service on their long-range aircraft.

[*Courtesy of Space Daily*]

TerreStar Networks (TerreStar) today announced the appointment of Robert H. Brumley as the company's new President and Chief Executive Officer. Mr. Brumley joins TerreStar from Pegasus Global, an international firm specializing in telecommunications/technology, infrastructure development and aerospace/defense. As previously announced, construction of the TerreStar-1 satellite is well-underway at **Space Systems/Loral's** facility in California. Along with its joint venture partner TMI Communications, TerreStar will utilize spectrum re-use to deploy a hybrid network that will provide high quality, cost-effective, seamless wireless services to urban, rural and remote regions of



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North America. TerreStar-1 will be the world's most powerful commercial mobile satellite capable of generating hundreds of spot beams to provide coverage of the fifty United States, Puerto Rico, the U.S. Virgin Islands and Canada. TerreStar Networks Inc. is an emerging provider of advanced mobile satellite services in North America with plans to develop, build and operate an innovative and spectrum-efficient spot beam satellite network in the 2GHz frequency band. [*Courtesy of SatNews Daily*]

Stratos Global Corporation, a leading global provider of advanced mobile and fixed-site remote communications solutions, today announced the signing of a letter of intent to purchase the shares of Xantic B.V. This transaction, involving two of the largest providers of mobile satellite services, will create the world's leading provider of advanced remote communications solutions, with a significantly expanded geographic presence and customer base in the Americas, Europe and the Asia-Pacific region. The combination of Stratos' market-leading presence in the Government and Military, Energy and Leasing sectors, combined with Xantic's position as the number one provider to the Maritime and Carrier sectors, gives the combined business an unmatched presence in the key markets for mobile satellite services. [*Courtesy of SatNews Daily*]

Intelsat, Ltd. reported on Thursday revenues of \$289.8 million and a net loss of \$53.4 million for the quarter ended June 30, 2005. The company also reported EBITDA, or earnings before interest, taxes

and depreciation and amortization, of \$194.5 million for the quarter. Intelsat said it generated strong free cash flow from operations of \$62.2 million for the second quarter of 2005. It also made a \$58 million cash payment for launch and in-orbit insurance on the recently launched Intelsat Americas-8 (IA-8) satellite. [*Courtesy of SatNews Daily*]

Arianespace's Ariane 5 rocket launched the Thaicom 4 (iPSTAR) during an early-morning mission from the Spaceport in French Guiana on August 11th. The payload is the heaviest commercial satellite ever delivered to geosynchronous orbit. Thaicom 4 is a high-power broadband satellite built by **Space Systems/Loral** (SS/L) for Shin Satellite Plc of Thailand designed to provide broadband services to both enterprises and consumers throughout 14 countries in the Asia-Pacific region. The satellite had a launch weight of 14,300 pounds (6486 kilograms). According to SS/L, the satellite has a massive total data throughput capacity of over 45 Gbps. It is designed to provide users with data speeds of up to four Mbps on the forward link and two Mbps on the return link. Thaicom 4 will use its seven on-board antennas to create 112 spot and regional beams in the Ku and Ka frequency bands. The satellite will generate 14 kW of electrical power throughout its planned 12-year service life. [*Courtesy of SatNews Daily*]

Other News

Imaging solutions company IPIX Corp. is teaming with **Globecom Systems Inc.** to offer satellite and wireless surveillance



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solutions on a global basis. In a statement, the companies said they will co-market the combined capabilities as "Surveillance Network Solutions," a turnkey broadband solution that will fuse Globecom's satellite and network services with IPIX's 360-degree video cameras and analytics, targeting the global government, enterprise observation and surveillance network markets. [*Courtesy of SatNews Daily*]

The International Space Business Council has released its *2005 State of the Space Industry* report which shows world turnover generated from commercial services and government programs

reached \$103 billion in 2004 and is predicted to exceed \$158 billion in 2010. The report concluded "now is a good time to be involved in the space and satellite industry," saying government funding for space is on the rise, commercial orders for satellites and launches have rebounded and stabilized, new exploration initiatives are being pursued, and entrepreneurial efforts related to radio, broadband, and space tourism are generating excitement. The report described **U.S. export regulations under ITAR** "the industry's most serious issue" and states, "what initially was a nuisance to businesses has evolved into a serious problem for U.S. industry." [*Courtesy of SatNews Daily*]

Upcoming SIA Meetings and Events

- SIA Regulatory Working Group Meeting, with FCC International Bureau Staff, October 5th, 2:00 PM
- SIA Hosted DoD Fixed/Mobile Commercial Satellite Communications (SATCOM) Workshop – November 15-18, 2005, Crystal City, VA
- SIA Hosted Civil Government Commercial SATCOM Workshop – November 16, 2005, Crystal City, VA
- SIA Hosted International Telecommunication Union (ITU) SATCOM Workshop – December 13-16, 2005, Washington, DC