



Director's Report

September 27, 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 Cindy Spiers at (202) 349-3632.

Member News

SIA Chairman Tony Trujillo will be testifying on behalf of SIA before the House Committee on Energy and Commerce Subcommittee on Telecommunications and the Internet on Thursday, September 29, 2005 at 1:00 p.m. SIA testimony will highlight the fact that satellites provide the necessary interoperability, redundancy and ubiquity that are critical during emergencies. SIA will recommend that 1) satellite must be an essential part of future critical communications networks; 2) satellite capacity and equipment must be pre-purchased and pre-positioned; 3) satellite operators and personnel should be credentialed as first responders; and, 4) satellite spectrum must be preserved, and protected from interference.

Intelsat has been selected by the African Virtual University (AVU) as its strategic communications partner in an initiative to establish a higher education bandwidth consortium which will make Internet bandwidth more widely accessible to African universities. Using Intelsat's GlobalConnexSM Internet Trunking Service, this initiative will deliver cost-effective, reliable bandwidth to students, academics, and other users at 11 universities and two consortia in six African countries.

Globalstar LLC began construction of a new satellite gateway in Wasilla, Alaska, to enhance satellite voice and data services. Globalstar said it expects the gateway to become fully operational in mid-2006, subject to Federal Communications Commission approval. "Once operational, this will be the first satellite phone service specifically for Alaskans -- the first mobile satellite services gateway in Alaska, the first satellite phone with a 907 area code, and the first satellite service that is truly affordable to the average Alaskan," said Jay Monroe, chairman and CEO. Globalstar also said the addition of service from the Wasilla satellite gateway will greatly improve coverage along Northern Pacific fishing grounds. Story courtesy of Satnews Daily

Inmarsat announced that it had optimized the allocation of available channels on its fleet of satellites to further enhance capacity across the U.S. region, with specific focus on the Gulf Coast. The added capacity is intended to ensure the continued availability of its voice and data communications services for emergency service organizations as they prepared to deal with the effects of Hurricane Rita. Inmarsat provided GAN and Mini-M service to a range of government agencies, emergency responders and political

officials responding to continuing needs in the region. Inmarsat also announced that it will be providing satellite phone capabilities through its Mini-M service to elected officials in the affected areas who will be equipped with Inmarsat satellite phones. Members of Congress used Mini-M following Hurricane Katrina. Story courtesy of Satnews Daily

Also in anticipation of Hurricane Rita, **Hughes Network Systems, LLC (HNS)** pre-positioned satellite terminals and installation teams near areas likely to be affected. This enables HNS to rapidly deploy and provision satellite communications as soon as weather conditions subside. HNS said it was contacting both current customers and rescue and relief agencies to assess their voice and data communications requirements in the face of this latest hurricane.

XM Satellite Radio received positive news from Wall Street last Thursday. Banc of America Securities maintained a "buy" rating and \$43 target price on XMSR shares. Also, Morgan Joseph initiated coverage of XM with a "buy" rating. Story courtesy of SkyREPORT

XM Satellite Radio reached a new milestone when General Motors announced that it has produced more than three million vehicles with factory-installed **XM satellite radios**. GM reported that in model-year 2006, nearly 90 percent of GM's U.S. retail models will offer factory-installed XM satellite radios as either an option or as standard equipment. GM began offering XM in select Cadillac models in November 2001,

the same month the satellite radio service launched nationwide.

SES Astra announced that it gained Polish public TV broadcaster TVP (Telewizja Polska SA) as a new customer on its satellite system. TVP will broadcast its five existing TV channels in digital via Astra at 19.2 degrees East starting in October. Also, TVP is preparing to launch on Astra a new digital bouquet of thematic channels in 2006, the company said. Story courtesy of SkyREPORT

On September 26, a **Boeing Delta II** launch vehicle successfully delivered the first of the modernized Block IIR Global Positioning System (GPS) satellites to space for the U.S. Air Force.

Lockheed Martin Corporation and **The Boeing Company** announced that they have withdrawn their filing pursuant to the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976 regarding the formation of the United Launch Alliance, LLC (ULA). The companies intend to resubmit their filing later this week. The companies are resubmitting their filing to provide additional time for review of the proposed transaction. Upon resubmission, the 30-day clock for Federal Trade Commission consideration will restart. ULA is a contemplated joint venture to be established by Lockheed Martin and Boeing to provide two families of expendable launch vehicles to U. S. Government customers. Story courtesy of Satnews Daily

Motient Corp. has executed a letter of intent with **SkyTerra Communications Inc.** and TMI Communications & Company, among others, to consolidate



Director's Report

September 27, 2005

the ownership of **MSV** and **TerreStar Networks Inc.** within Motient. The companies said the agreement, if consummated, will simplify the ownership and governance of each of MSV and TerreStar, and allow each of them to pursue more effectively their deployment of separate hybrid satellite and terrestrial based communications networks that will provide wireless coverage across all of North America in the L-band and S-band.

The Federal Communications

Commission's International Bureau voided Ka-Band authorizations awarded to CyberStar, citing the entity's failure to meet construction and launch milestones for its Ka-Band satellites. Satellite orbital locations assigned to CyberStar - at 93 degrees and 115 degrees - are now available for reassignment. CyberStar was awarded the authorizations in May 1997, as part of the FCC's first processing round of Ka-Band systems. CyberStar is a subsidiary of **Loral**. Story courtesy of SkyREPORT

New Skies Satellites Holdings Ltd.

announced that its board of directors has declared a quarterly cash dividend for the period from July 1, 2005 to September 30, 2005, in the amount of \$0.463125 per share. New Skies said the dividend is payable on or about October 15, 2005 to shareholders of record on September 30, 2005. Story courtesy of Satnews Daily.

Other News

EchoStar's DISH Network enhanced its 24-hour hurricane channel, providing information on issues related to both hurricanes Katrina and Rita. The channel, formerly called Katrina Information Network, is now called Emergency Response Information Network (ERIN), reflecting the expansion of the channel's scope. ERIN is available free of charge to customers during the hurricane recovery period. Story courtesy of SkyREPORT

Telenor ASA has signed a contract for the delivery of a new geosynchronous (GEO) communications satellite, the Thor II-R, from **Orbital Sciences Corp.** Telenor has directed Orbital to negotiate with **International Launch Services** (ILS) for a launch aboard a Proton rocket. The Thor II-R spacecraft will provide Ku-band fixed telecommunications and direct-to-home television broadcasting services from Telenor's 1 degree West Longitude orbital location. The new satellite will have 24 transponders with three times more payload power (3.6 kilowatts of payload power) compared to the current Thor II satellite, and will improve Telenor's service coverage in the Nordic countries, Europe and the Middle East. Story courtesy of Satnews Daily

Upcoming SIA Meetings and Events

October 5th, 2:00pm— SIA Regulatory Working Group Meeting

November 15-18 - SIA Hosted DoD Fixed/Mobile Commercial Satellite Communications (SATCOM)Users



Director's Report

September 27, 2005

Workshop, Crystal Marriott, Crystal City,
VA. Contact SIA for details.

November 16th - SIA Hosted Civil
Government Commercial SATCOM
Workshop, Crystal Marriott, Crystal City,
VA. Contact SIA for details.

December 13-16 – SIA Hosted ITU
International Satellite Workshop, FCC,
Washington DC. Contact SIA for details.