



The Director's Report

From: David Cavossa

February 7, 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 Josh Guyan at (202) 349-3632.

Member News

New Skies Satellites B.V. announced on Friday the company is supporting the U.S. Department of Defense's American Forces Radio and Television Service (AFRTS) with occasional-use and restoration services across three satellites, the NSS-5, NSS-6 and NSS-7 spacecraft. New Skies said AFRTS is using the NSS-6 and NSS-7 satellites to transmit coverage of ongoing U.S. disaster relief efforts throughout Southeast Asia from Thailand back to the United States. AFRTS also has been using the NSS-7 satellite since November 2003 to deliver coverage of U.S. service men and women working in Iraq.

Loral Skynet announced Thursday that it has been selected to provide satellite communications services to the British Foreign and Commonwealth Office (FCO), through an agreement with Global Crossing, that will support the FCO's recovery efforts related to the tsunami disaster. Loral Skynet is providing a 256 Kb VSAT satellite communications link and related support services to British Foreign Office employees on-site in Phuket, Thailand. The system is being used to aid in the DNA analysis and identification efforts of British citizens in the region. Information is collected from widely dispersed locations across Thailand and sent from Phuket to specialists in the UK for analysis. The process is expected to last from three to six months.

EADS Astrium said on Thursday it has completed production and test of **Inmarsat's** first Inmarsat-4 spacecraft. Scheduled for launch on March 10, 2005 aboard an **Lockheed Martin** Atlas V launch vehicle from Cape Canaveral, Florida, the first giant Inmarsat-4 satellite will be positioned in geostationary orbit at 65 degrees East longitude. It will enable Inmarsat to address a wide area covering most of Europe, Africa, the Middle East and Asia, as well as the Indian Ocean.

SkyTrac Systems (STS) has announced an agreement with Air Evac Lifeteam to equip its medevac helicopter fleet with the **Iridium**-based SkyTrac flight-following satcom system. "The use of the SkyTrac system enhances our abilities to monitor our flights and ensure the safety of both our crews and the patients we fly," said Air Evac Lifeteam President and CEO Colin Collins. "It gives our communicators another tool to use if our audio communications systems fail. The SkyTrac team has been very keen to find solutions to our specific problems and we look forward to working with them on future projects."

Northrop Grumman Corp. said on Wednesday its fourth quarter 2004 income from continuing operations rose 62 percent to \$296 million mainly because of strong U.S. military spending and lower pension costs. Sales for the fourth quarter of 2004



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increased 10 percent to \$7.8 billion from \$7.1 billion for the same period of 2003. .

Boeing's air traffic management (ATM) unit is considering an ambitious transatlantic trial of new satellite navigation technology, involving airlines and airports from North America and Europe. The project, still at the discussion stage, would include several new systems and procedures in all phases of flight, from takeoff and landing to oceanic en route.. The project would be a follow-up to a successful trial of tailored arrival approaches that Boeing conducted in Australia last year in cooperation with the European Air Traffic Alliance, Qantas and Airservices Australia. *Courtesy of Aviation Daily.*

The AMERICOM-12 (AMC-12) satellite of **SES AMERICOM**, an SES GLOBAL company, roared into space onboard a Russian Proton/Breeze M launch vehicle from the Baikonur Cosmodrome (Kazakhstan) on Feb. 2nd. The C-band satellite will undergo payload and performance testing at 67.5 degrees West. AMC-12 is being prepared for operation from the 37.5 degrees West orbital position and in April 2005 will be ready to support the transmission of digital video and data services in three regional beams: North America, South America, and Europe/Africa in April 2005.

International Launch Services (ILS) has received authorization from the U.S. Air Force to begin operations for launch of a national security payload on an Atlas V vehicle in mid-2007 from Cape Canaveral, Fla. This launch, designated NROL-24 for the National Reconnaissance Office, is one of seven initially assigned to ILS and the

Lockheed Martin Atlas V launcher under the Air Force's Evolved Expendable Launch Vehicle (EELV) program.

Mexico's newly established satellite operator, QuetzSat, S.R.L. de C.V. has been granted the concession for the Ku-band Broadcast Satellite Services (BSS) frequencies at 77 degrees West from the Mexican government. At a ceremony hosted by President Vicente Fox last week marking the debut of QuetzSat, a Mexican-controlled partnership that includes principals of Grupo Medcom and **SES Americom**, the regulatory concession was granted to QuetzSat as a result of its winning bid during an auction that was conducted at the end of 2004. *Courtesy of SatNews Daily.*

Stratos Global Corp. has reported net earnings in 2004 of \$25.1 million, or US\$0.51 basic earnings per share, compared with US\$38.1 million, or US\$0.77 basic earnings per share in 2003 reflecting a reduction in government and military expenditures for mobile satellite services after peaking in 2003. Stratos said revenue for the full year 2004 was \$367.8 million, a 7 percent decline compared with the record level of \$397.2 million achieved in 2003, primarily reflecting a reduction in government and military expenditures for mobile satellite services. But revenue in the broadband business grew by 6 percent during 2004, with VSAT revenue increasing by 25 percent for the year.

Intelsat, Ltd. today announced that it and a newly formed subsidiary are intending to issue new Senior Discount Notes due 2015. Subject to regulatory approvals of certain asset transfers between subsidiaries



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of Intelsat and consummation of those transfers, the net offering proceeds of approximately \$300 million are expected to be used to fund the repurchase of certain preferred shares held by the shareholders of Intelsat's parent, Zeus Holdings Limited. If the required approvals are not received and the transfers are not completed within 90 days, the notes will be redeemed at 100% of their accreted value.

Mobile Satellite Ventures (MSV) announced that it had signed a contract with ITT Industries Advanced Engineering & Sciences Division to assist in the definition and design of ground-based beamforming (GBBF) terrestrial infrastructure. MSV's GBBF system will incorporate Adaptive Interference Cancellation (AIC) technology to dramatically improve the service quality and efficiency of MSV's next generation service.

Mobile Satellite Ventures (MSV), North America's premier provider of mobile

satellite communications, has responded to the needs of the Public Safety/First Responder market by announcing a new rate plan program and a push-to-talk (PTT) handset. MSV's new PTT handset is compatible with its existing customer equipment, allowing Public Safety/First Responder customers to expand their user base and continue to integrate satellite into their overall emergency management operations, thus enabling real time communications anywhere in North America.

Northrop Grumman Corp. has elected Alexis C. Livanos corporate vice president and president of the company's Space Technology sector. He succeeds Wesley G. Bush, who was recently elected Northrop Grumman's chief financial officer. Livanos, 56, a veteran defense and space industry executive, assumes his new position effective Feb. 7, 2005. He will report to Ronald D. Sugar, Northrop Grumman's chairman, chief executive officer and president.

Other News

The Satellite Broadcasting and Communications Association (SBCA) announced that Federal Communications Commission (FCC) Commissioner Jonathan S. Adelstein will keynote SBCA's Media LawForum on Tuesday, March 22, 2005 at the National Press Club in Washington, DC. SBCA's 2005 Media LawFORUM event will assemble expert panels and discussions with lawmakers, regulators, lobbyists, press, and multi-

channel and telecommunications industry executives. The panels will offer a unique perspective and detailed insight into the current regulatory and legislative issues, specifically their impact on telecommunications marketplaces. SBCA's 2005 Media LawFORUM will also showcase the latest technological advances in the industry through live product demonstrations.



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FCC News

This spring, the FCC will host the second annual **Satellite Forum** to showcase satellite trends and development for U.S. consumers and businesses. The forum will include panels on Satellite services on the

move, integration of satellite and other technologies, global satellite solutions and portable satellite technology. The Forum will be on March 21, 2005 at 10:00am in the FCC Commission Meeting Room.

Upcoming SIA Meetings and Events

February 15th 6:00-8:00pm SSPI Chapter Meeting "Media Programming: The Transition to Digital" hosted at Intelsat. www.sspi.org

February 24th 12:15pm—FCBA Young Lawyers Committee Brown Bag Lunch on "A Bird's Eye View on Developments in the Satellite Industry" at Mintz, Levin, Cohn, Ferris, Glovsky, & Popeo P.C. Please visit www.fcba.org for details.

March 21st 6:00pm – SIA/SBCA/FCBA "Satellite Communications Law 101" hosted @ Law Firm of Shaw Pittman – please visit www.fcba.org for registration details

March 22 – SBCA *Media Law Forum* co-hosted by SIA @ The National Press Club – please visit www.sbca.org for details

March 22 – 6:30-9:00pm – SIA/SBCA "Satellite Leadership Dinner" @ Folger Shakespeare Library (Invitation Only)

March 23 – SIA "International Satellite Forum – *Improving the Global Legislative and Regulatory Environment*" held in conjunction with the SATELLITE 2005 Conference at the Washington Convention Center – please visit www.satellite2005.com for registration details

March 30 2:00-4:00pm – SIA Regulatory Working Group Meeting @ SIA

May 31-June 2 – ISCe Conference @ Long Beach Hyatt Regency Hotel www.isce.com