



The Director's Report

From: David Cavossa

July 19, 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

The Satellite Industry Association (SIA) announced the addition of three new Associate Members; IOT Systems LLC, Marshall Communications Corp., and Spacecom LTD. The addition of these three companies will help expand SIA's expertise and scope and ensure all sectors of the commercial satellite industry are adequately represented here in D.C. and their voices heard throughout the world. IOT Systems LLC provides satellite operators and manufacturers with in-orbit spacecraft transponder measurements, processing and control software, and proven hardware design. www.iotsystems.com. Marshall Communications Corp. provides high quality satellite based telecommunications systems engineering, integration and networking services to the Government and private sector. www.marshallcomm.com. Spacecom LTD, operator of the AMOS satellites, offers high power broadcast and communications services in the United States, Europe, and the Middle East, bridging the Atlantic in a single hop. www.amos-spacecom.com.

Hughes Network Systems announced that its consumer and small business user base reached 253,000 subscribers at the close of Q2 2005, representing 26 percent growth over the same period last year. Revenues increased by more than 22 percent as a result of increased service revenues. Gross subscriber additions in the first half of the year averaged 10,000 per month, with

solid demand coming from all areas of the country.

Migration for R-BGAN customers to Inmarsat-4 continues apace led by distribution partners and service providers who are supporting the many thousands of users who need to make a simple adjustment to their terminals. The migration of R-BGAN users to the new Inmarsat-4 (I-4) satellite is now under way, leading to vastly extended coverage for customers across Africa and Asia. The migration began on Saturday, July 9, and continues apace until this Saturday, July 16, led by Inmarsat's distribution partners and service providers who are supporting the many thousands of users of Inmarsat's R-BGAN service to make the simple adjustment to their satellite terminals.

Iridium Satellite has announced that the U.S. Department of Agriculture (USDA) Forest Service (USFS) has fitted 200 primarily contract aircraft with Iridium equipment. The aircraft are part of the interagency Automated Flight-Following (AFF) program and are mainly helicopters, and light and transport fixed-wing airtankers, used for wildland fire fighting and other natural resource agency missions.

Blue Sky Network announced that Rockwell Collins has certified its Iridium satellite communication system as an approved data channel for the Airshow 4000 moving map and inflight information



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system, as well as the current fleet of Airshow Network (Genesys) customers. The Blue Sky Network C-1000A Iridium satellite communication terminal enables the delivery of customized news, financial, sports and weather data from Rockwell Collins Member Service Center (MSC) to the aircraft through Iridium's network of 66 low-earth-orbit satellites.

Stratos Global Corp. and SMS Global, Ltd., announced the introduction of SMS CrewMail, a new prepaid short message system (SMS) and text e-mail service for maritime crewmembers seeking a cost-effective way to stay in touch with family and friends while at sea.

Globalstar announced enhanced service coverage in Florida, the Gulf of Mexico, and the Caribbean with the opening of a new Globalstar gateway in Sebring, Florida. The Federal Communications Commission has approved the operation of a new Globalstar gateway to ensure that enhanced service and coverage would be available with hurricane season approaching earlier than usual this year.

ICO Global Communications (Holdings) Ltd. announced that its wholly owned subsidiary, **ICO North America Inc.**, which holds ICO Global's assets and telecommunication system development rights relating to the 2 GHz spectrum issued by the FCC, intends to commence an offering of up to \$400 million of senior notes, which will be secured by substantially all of the assets of ICO North America and its subsidiaries and will be convertible into common stock of ICO North America and, under certain circumstances, into common stock of ICO Global Communications.

XM Satellite Radio announced that it has signed an agreement to acquire WCS Wireless, a private entity, for 5.5 million shares of XM Common Stock. The principal assets of WCS Wireless are wireless spectrum licenses in geographic areas covering 163 million people throughout the United States, including 15 of the top 20 metropolitan markets. On average, WCS Wireless licenses include 10 megahertz in the frequency bands adjacent to XM's satellite radio service. XM and WCS Wireless expect to close the transaction before the end of the year, subject to necessary government approvals.

Eutelsat and NHK, Japan's national public broadcaster announced the signature of a contract for a full transponder on the Atlantic Bird™ 3 satellite for the duration of February 2006. The capacity will be used by NHK to carry HDTV coverage of the Winter Olympic Games, which will take place in Turin, Italy from 10 to 26 February.

XM Satellite Radio announced that it has made a strategic investment of \$25 million in the common stock of WorldSpace, Inc., a leading satellite radio provider for Asia, Europe, the Middle East and Africa. In connection with the investment, XM will cooperate with WorldSpace to develop satellite radio products, technology and distribution and supplier networks. In addition, XM will have warrants to acquire \$37.5 million in additional WorldSpace stock and an option to invest along with WorldSpace and other partners in various countries around the world.



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Other News

Sirius Satellite Radio and **Sirenza Microdevices** announced they are introducing a small, ultra-low profile, high-performance antenna for SIRIUS that is the thinnest ever produced for satellite radio. The new disc-shaped antenna has been designed by Sirenza to optimally receive and amplify digital signals from SIRIUS' satellites and terrestrial repeaters. The antenna is magnetically mounted to the roof of vehicles, and is designed to operate with various SIRIUS radio receivers.

Hugo Chavez, President of Venezuela announced that his country is close to signing a deal with China to launch a Chinese-made satellite in 2008. The announcement came during the President's weekly "Hello President" show carried on television and radio.

Raysat, Inc. announced it has closed a \$27 million investment round. Funds

advised by Apax Partners led the round with an \$18.6 million investment. The round was supported by existing investors Benchmark and Seed Partners.

Kagan Research announced a research analysis on the satellite radio industry projecting 46 million subscribers and revenues around \$7.6 billion by 2014.

ViaSat Inc. is supplying high-performance Linkway® satellite communications networking equipment to **DataPath, Inc.** for mobile military communications. The value of the DataPath contracts with ViaSat is approximately \$7 million. DataPath is incorporating ViaSat Commercial Off-the-Shelf (COTS) equipment into the DataPath ET Model 3000 Portable for battlefield communications, a compact, trailer-based satellite telecommunications earth terminal that provides sustained and reliable telecommunications in the field.

Upcoming SIA Meetings and Events

July 20, 11am—SIA Luncheon with USSTRATCOM/DISA @ SIA.

July 21, 2:00pm—SIA Regulatory Working Group Meeting @ SIA.

July 22, 10:30 a.m. – 12 noon—The International Bureau, FCC is hosting a public meeting open to all interested parties on satellite earth station application processing at the Commission Meeting Room.

July 22, 8:30-12:30—the SIA (along with the Air Force, the Space Power Caucus, NDIA, The Space Foundation, AIAA, and AIA) is hosting a National Security Space 101 on the Hill in 2212 Rayburn. The event is open to House and Senate Military

Legislative Assistants (MLAs) and is intended to be a space primer for Congressional Staff.

July 22, 2:30pm-5pm—Join the International Bureau in celebrating a true "National Treasure"—Tom Tycz in the Commission meeting room. RSVP to Jeree Payton, 418-2212 / jeree.payton@fcc.gov or Penny Mason, 418-0719 / penny.mason@fcc.gov.

July 27th, 2pm—SIA Trade Working Group Meeting @ SIA.

September 12-16—SIA ITU International Satellite Workshop to be held at Intelsat with full FCC support. Contact SIA for details.