



# Director's Report

October 11, 2006

**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 Christina Langlois at (202) 349-3632.

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## Recent News

The **Boeing Company** confirmed that the Federal Trade Commission (FTC) has granted anti-trust clearance to proceed toward closure of the United Launch Alliance (ULA) joint venture. The clearance is subject to compliance with a consent order that both parties have approved, and which will govern certain activities of the ULA, Boeing and Lockheed Martin upon closing of the transaction. The FTC action is the final step in the government's regulatory process and brings the ULA closer to the goal of meeting the government's need for reliable, lower-cost launch services for national security, civil and scientific payloads. Boeing expects that the remaining requirements will be successfully resolved to enable the transaction to be completed and ULA operations to begin. [Link to Additional Information](#)

**Integral Systems, Inc.**, announced the award by the U.S. Air Force of two cost plus award fee modifications totaling \$7.8 million to modify the Command and Control System-Consolidated (CCS-C) effort to support the Wideband Global SATCOM (WGS) program. This change provides the full development capability for all on-orbit satellite command procedures to support the first WGS launch in fiscal year 2007. [Link to Additional Information](#)

**Eutelsat's** HOT BIRD™ 8 broadcast satellite was brought into full commercial service this week with the complete transfer in the night of October 2 to 3 of all

broadcast traffic from HOT BIRD™ 3 to the Group's newest satellite. The transfer took place seamlessly with no interruption of service for broadcast clients. With the entry into service of HOT BIRD™ 8, which comes five months after HOT BIRD™ 7A, the Group has met an objective to provide customers with extensive redundancy across a constellation of copositioned satellites at 13 degrees East. [Link to Additional Information](#)

**Eutelsat** confirms that operations of its W3A satellite have been fully restored with normal operational mode following an anomaly occurring earlier which caused an interruption of service. From 17.45 Paris time (15.45 UTC) clients using W3A were able to reestablish full commercial service. According to preliminary analysis gathered since the incident occurred, the interruption of service on W3A has no impact on the performance of the satellite, whose 44 transponders (42 Ku-band, 2 Ka-band) are all in perfect working order. A full investigation is being conducted by Eutelsat in collaboration with W3A's manufacturer, EADS Astrium, in order to determine the specific reason for the anomaly. [Link to Additional Information](#)

CNN - the global television news network - has praised **Inmarsat's** BGAN solution for enabling its broadcast teams to file live video reports from war zones. Journalists at CNN believe BGAN terminals gave them a competitive advantage when they used them

to file hundreds of live video reports during the recent conflict in Lebanon. [Link to Additional Information](#)

The National Hockey League (NHL) returns to the ice on October 4, and hockey fans nationwide can tune into **XM Satellite Radio** for live games, plus the nation's only hockey talk radio channel, "Home Ice." XM will broadcast more than 1,100 live NHL games during the 2006-2007 season. NHL games can be heard on the Home Ice channel (XM 204) and the NHL Hockey Play-by-Play channels 205 through 209. [Link to Additional Information](#)

### **Emerging Markets Communications**

(EMC) has been awarded a contract to provide satellite communications and integrate UNHCR offices worldwide. The Office of the United Nations High Commissioner for Refugees (UNHCR) was established in 1950 by the United Nations General Assembly. The agency is mandated to lead and co-ordinate international action to protect refugees and resolve refugee problems worldwide. In more than five decades, the agency has helped an estimated 50 million people restart their lives. A staff of around 6,540 people in 116 countries continues to help 19.2 million persons. Under the terms of the contract, EMC will be responsible for connecting 56 UNHCR offices in 23 countries to the UNHCR headquarters in Geneva, Switzerland, for the integration of Business Applications, Voice, Data, Internet and Intranet across the entire network. [Link to Additional Information](#)

The U.S. Court of Appeals for the Federal Circuit granted the request of **EchoStar** to stay the permanent injunction against it preventing the satellite company from making, using and selling certain DVR products. The decision, stemming from a

highly public court case with DVR-technology company TiVo, comes months after a Texas District Court ruled against EchoStar over a patent infringement lawsuit. The case will now advance to the appeals process, and EchoStar will remain able to distribute the associated DVR models until a further decision. The company also assured its customers that they will not be disrupted during the process. *Story courtesy of SkyREPORT.*

**Boeing** has announced the cessation of commercial operations associated with their satellite broadband service, Connexion by Boeing, effective December 31, 2006. In conjunction with this announcement payment of USD 70 million relating to termination of the AMC-23 contract was made to **SES AMERICOM** during the third quarter. Of this amount, USD 49 million will be recognized into revenue in Q3 2006 and the balance of USD 21 million will be recognized into revenue in Q4 2006. The unique Ku-band Pacific Ocean Region capacity on AMC-23 is presently being remarketed to a variety of potential customers. Additionally, during August, Boeing terminated services on the AMC-6 satellite. [Link to Additional Information](#)

The Optus D1 telecommunications satellite for Australia's Optus has been mated to its Ariane 5 launcher, marking the start of payload integration for the Oct. 12 multi-passenger mission. The operation is in the upper levels of the Ariane 5 Final Assembly Building at Europe's Spaceport in French Guiana. The next step, according to the company, will be the installation of **DirecTV 9S** - the larger of the two primary passengers for the upcoming flight - Arianespace's fourth heavy-lift launch of 2006. *Story courtesy of SkyREPORT.*



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Satellite Bands off table for use by companies offering advanced wireless services, **FCC WRC** advisory group decides. See IWG-3 meeting updates. [Link to Additional Information](#)

With a cursory glance, British satellite operator **BSkyB** appears to be trading at a significant premium to its U.S. peers. Last week BSkyB carried a valuation of \$2,450 per subscriber: a 46 percent premium to **DirecTV** and a 62 percent premium to **EchoStar**. But a new study - based on a collaborative effort from Bernstein Research's domestic and European branch - suggests that numbers can be deceiving and that BSkyB is actually trading at a discount to its American brethren. The valuation gap, says Bernstein analyst Craig Moffett, is surprising given what is believed to be a sharply more favorable competitive position for DBS in the U.K., with faster market growth and a dominant competitive position that translates into higher ARPU and lower churn. *Story courtesy of SkyREPORT.*

**SkyTerra Communications, Inc.** announced that it has executed a definitive agreement with BCE, Inc. to acquire BCE's stake in **Mobile Satellite Ventures LP** (MSV). In connection with the transaction, SkyTerra will issue approximately 21.4 million shares of its nonvoting common stock to BCE in exchange for approximately

7.6 million limited partnership interests in MSV and the corresponding shares in the corporate general partner, reflecting the same exchange ratio used in the recent transactions with MSV's other partners. Following closing of the transaction, which is expected to occur no later than January 5, 2007, SkyTerra will own all of the outstanding common stock of MSV's general partner and approximately 83% of the outstanding limited partnership interests of MSV, prior to dilution for management options. SkyTerra's ownership will increase to 100% of the limited partnership interests of MSV, prior to dilution for management options, upon completion of the remaining exchanges under the existing agreement with the Motient Corporation. [Link to Additional Information](#)

**SES GLOBAL** announces the appointment of Mr. Robert Bednarek to the position of President and CEO of SES NEW SKIES. In his new position, Mr. Bednarek will continue to report to Romain Bausch, President and CEO of SES GLOBAL and will remain a member of the SES Executive Committee. [Link to Additional Information](#)

**EchoStar Communications** announced that Brad Gillen has joined the company as regulatory counsel. *Story courtesy of SkyREPORT.*

## Upcoming Meetings and Events

**10-12 October 2006** - United States Space Foundation Symposium, "Strategic Space 2006", Omaha, Nebraska [www.spacefoundation.org](http://www.spacefoundation.org)

**12 October 2006** - SSPI Technology Summit for teens and parents in DC area, McKinley Technology High School, 151 T Street, NE, Washington DC. *For more information contact: [rick.kelsey@k12.dc.us](mailto:rick.kelsey@k12.dc.us) at McKinley High School or [ltondro@erols.com](mailto:ltondro@erols.com) at SSPI Mid-Atlantic Chapter.*



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**17 October 2006** – National Space Club Annual Fall reception at Goddard Space Flight Center, Call 202-973-8661, opt 2 with questions or contact [rorynsc@starpower.net](mailto:rorynsc@starpower.net).

**19 October 2006** – U.S. Department of Commerce, Office of Space Commercialization, and the U.S. Chamber of Commerce “Leveraging GIS Capabilities to Civil Government Agencies: Building a Bridge to a Safe, Secure and Prosperous Future,” <http://www.uschamber.com/events/ViewEvent.htm?eventID=688>

**19 October 2006** – WSBR Executive Lunch, “Space and Satellites: State of the Investment Climate,” The University Club, 1135 16<sup>th</sup> Street, NW, Washington, DC [www.wsbr.org](http://www.wsbr.org)

**13-15 November 2006** – Global MilSatCom, Millennium Conference Centre, London <http://www.smi-online.co.uk/goto/milsatcom.asp?emref=R25ER91632695>

**28 November 2006** - ISCe Satellite Investment Symposium NYC '06, New York City <http://www.isis-nyc.com/>

**28 November 2006** - SSPI Future Leaders Dinner, New York City [www.satfuture.com](http://www.satfuture.com).

**29-30 November 2006** – SATCON 2006, New York City [www.satconexpo.com](http://www.satconexpo.com)

**30 November – 1 December 2006** - California Space Authority, “Transforming Space” Conference, [www.californiaspaceauthority.org](http://www.californiaspaceauthority.org)

**5-7 December 2006** – DoD SATCOM Users Workshop, Tyson’s Corner Marriott, McLean, VA. For more information contact SIA at [info@sia.org](mailto:info@sia.org).