



Director's Report

March 7, 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 Cindy Spiers at (202) 349-3632.

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Recent News

AMERICOM GOVERNMENT

SERVICES, Inc. (AGS) announced an agreement with **XTAR, LLC** making high powered commercial X-band service available to AGS' customers across the U.S. Department of Defense, other agencies and users. XTAR, a joint venture between **Loral Space & Communications** and **Hisdesat**, operates the XTAR-EUR satellite, a powerful all X-band satellite stationed at 29 degrees East longitude. The satellite provides coverage from Eastern Brazil and the Atlantic Ocean, across all of Europe, Africa and the Middle East to as far east as Singapore. With the imminent launch of XTAR-LANT, XTAR's eight transponder payload on SPAINSAT, the company's coverage area will expand to include portions of the United States and the South American and African continents.

SES AMERICOM announced that the AMC-23 satellite that was launched on December 29, 2005, has successfully completed a full battery of in-orbit-tests and is now operational from its assigned location of 172 degrees East. The large, high-powered, C/Ku-band satellite, is providing services to customers including Connexion by Boeing, a provider of in-flight high-speed Internet service, on the Ku-band payload as well as various commercial and government customers on the C-band side.

On February 8, 2006, **Intelsat** announced a contract with **MediaFLO USA** for capacity on the Intelsat Americas-8 (IA-8). The satellite is to support Qualcomm's MediaFLO mobile TV rollout in the U.S. by providing ubiquitous connectivity to MediaFLO transmitter sites located around the country. By utilizing Ku-band capacity on the IA-8, Qualcomm is able to ensure complete connectivity for their planned nationwide deployment of mobile TV services in this market.

Raytheon has been awarded a \$35.9 million U.S. Navy contract to deliver 15 Submarine High Data Rate (Sub HDR) multi-band satellite communication systems (SATCOM). Sub HDR gives submarines high data rate, multi-band SATCOM capability. Raytheon has delivered more than 71 Sub HDR systems to the Navy during the last six years under previous contracts totaling more than \$160 million. Sub HDR technology, which was developed by Raytheon in the 1990s, links submarines to the Global Broadcast service, the Milstar satellite constellation and the Defense Satellite Communication System.

Globalstar LLC announced that it activated its 200,000th customer during the month of February. The significant demand for Globalstar satellite voice and

data services has resulted in the substantial growth of the company's overall subscriber base. In particular, the market demand for satellite data services has increased rapidly. This combined with the introduction of new asset and resource tracking based simplex data initiatives resulted in the number of Globalstar simplex subscribers increasing in 2005, by approximately 300% to over 20,000 users. **Globalstar** has also announced an agreement with **QUALCOMM** to manufacture its current and next generation handset, plus it has signed agreements with two prospective launch providers to launch its eight spare satellites, planned for early 2007.

Globalstar LLC announced that it is launching a new rate plan targeted specifically for use in the United States in the event of an emergency. The Globalstar Emergency Plan will be priced below \$30 USD per month. Although the new rate plan is targeted towards those government, business and private consumers concerned about emergency preparedness or business continuity, it can be used by a host of additional potential users of satellite phones who require a low cost price plan combined with a limited monthly commitment.

XM Canada satellite radio service has attracted more than 50,000 self-paying and trial subscribers since November 23, 2005 service launch of which 44,000 are self-paying as of the end of its first financial quarter February 28, 2006. Canadian Satellite Radio Holdings Inc. (CSR) which operates XM Canada said the subscriber growth started in the 2005 holiday season and has continued in 2006. CSR is on target to reach its subscriber guidance of 75,000 by the end of August and continues

to expect one million subscribers by August 2010. *Story courtesy of SatNews Daily*

United Airlines has temporarily scrapped its previous in-flight audio programming in favor of **XM Satellite Radio** stations. All United and Ted flights began offering up to 19 channels of commercial-free music compiled by XM Satellite Radio. The broadcasts, which include adult R&B, country, classic rock, jazz and latest hits, are not live and will change on a monthly basis. The number of available channels varies based on aircraft type.

WildBlue reported that Arianespace has scheduled the launch of its first wholly-owned Ka-Band spot beam satellite, WildBlue 1, on an Ariane 5 vehicle for sometime in the fourth quarter. The flight will take place from the Guiana Space Center in Kourou, French Guiana. WildBlue-1, manufactured by **Space Systems/Loral**, will help the company nearly triple its customer capacity and is expected to handle WildBlue's continuing rapid customer growth into 2008 and beyond. WildBlue said if the launch is successful, service to customers via WildBlue-1 could commence in January 2007. At the moment, WildBlue utilizes Ka-Band spot beam capacity on Telesat Canada's Anik F2 satellite, which was launched by Arianespace in July 2004. WildBlue also said it contracted **Andrew Corporation** to build two new spot beam gateways and augment existing U.S. gateways. In addition, the company said it has exercised an agreement with **Viasat** to deliver the equipment necessary to serve the added customers via the additional gateways. *Story courtesy of SkyREPORT*

Mobile Satellite Ventures (MSV) announced the addition of two new

executives to its operations team, Mr. David Claassen as Vice President of Core Engineering and Mr. Brian Smith as Vice President of Network Deployment. Mr. Claassen and Mr. Smith both join MSV from Nextel Communications. Their appointments are part of MSV's strategy to put in place an experienced, world class team of telecommunications industry experts to build out and implement the hybrid network. Under the direction of MSV's Chief Operating Officer Mark Faris, Claassen and Smith are part of a growing team that is focusing on integrated terrestrial system development.

Harris announced that it has been awarded a three-year, \$27.8 million contract by **Lockheed Martin** Maritime Systems and Sensors to develop and integrate a water-deployable communications system for the U.S. Navy's Advanced Deployable System (ADS). ADS is a littoral (coastal) undersea surveillance system designed to provide a joint-forces commander with a continuous and reliable picture of activity over vast oceanic areas.

The Federal Communications Commission and Chairman Kevin Martin asked lawmakers for \$500,000 to educate the public about the ongoing switch to digital TV. The money is part of the FCC's proposed fiscal year 2007 appropriation, which went before an appropriations subcommittee. The FCC's proposed budget for fiscal year 2007 is \$302.5 million. The \$500,000 earmarked for the digital TV switch would fund an outreach

campaign to educate consumers about the transition. The \$302 million budget for the FCC would consist of a \$1.042 million direct appropriation while the remaining \$301 million would be generated through regulatory fees. During the current fiscal year, the FCC has a spending level of \$289.7 million, with all but \$990,000 dollars being raised through regulatory fees. *Story courtesy of SkyREPORT*

Zhang Qingwei, president of the **China Aerospace Science and Technology Corp.**, reported that China will launch nine satellites in 2006. The announcements of China's space plans were announced by Zhang while attending the annual meeting of the National People's Congress, which opened on Sunday in Beijing. China is celebrating the 50th anniversary of its space program this year. Recently, China sold a communications satellite (Nigcomsat-1) to Nigeria and sold another satellite (Venasat-1) to Venezuela. These business coups illustrate China's renewed focus on the commercial satellite industry after deliberately concentrating first on the development of new generation carrier rockets. Zhang said a key satellite to be launched in 2006 is SinoSat 2, the country's first direct broadcasting satellite, which is expected to beam TV programs to even the most remote rural regions in the country. Other planned satellites include a meteorological satellite and an oceanic satellite that will monitor ocean color and red tides. *Story courtesy of SatNews Daily*



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Upcoming Meetings and Events

30 March 2006 Satellite Industry Association Regulatory Working Group (RWG) Meeting, 2 p.m.

3-6 April 2006 United States Space Foundation Symposium, “22nd National Space Symposium”, Colorado Springs, Colorado www.spacefoundation.org

11-15 June 2006 ISCe Conference, San Diego, CA www.isce.com

10-12 October 2006 United States Space Foundation Symposium, “Strategic Space 2006”, Omaha, Nebraska www.spacefoundation.org

30 November – 1 December 2006 California Space Authority, “Transforming Space” Conference, www.californiaspaceauthority.org