



Director's Report

July 26, 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

Boeing has announced plans to consolidate company facilities in Southern California over the next four years. The Boeing facility in Anaheim, with about 3,700 employees, will relocate to the Huntington Beach facility. Nearly all of the moves will occur within a 25-mile radius. Design and construction in Huntington Beach will start immediately, with minor employee moves. Significant employee relocations are anticipated to start early in 2007 and will continue through 2010. [Link to Additional Information](#)

In testimony before the House Subcommittee on the Federal Workforce and Agency Organization of the Committee on Government Reform, Joslyn Read, assistant vice president, regulatory affairs, for **Hughes Network Systems, LLC** (Hughes), urged the federal government to provide economic support to encourage the adoption of broadband communications essential for teleworking and Continuity of Operations (COOP) contingencies. Read also stressed the importance of ensuring that employees within the Washington Metropolitan area and beyond have access to a high-speed broadband connection in order to enjoy all the benefits of teleworking. Read noted that because of the high cost of building land-based infrastructure in rural locations, satellite broadband technology is often the

best and only option for gaining that access. [Link to Additional Information](#)

Iridium Satellite LLC, announces that its subscriber base increased by 25.4 percent from the second quarter of 2005. Reflecting continued growth of its commercial and government businesses, the company had approximately 159,000 subscribers worldwide as of June 30, 2006. Iridium's revenue in the second quarter was \$53.6 million, an increase of 31.4 percent over second quarter 2005. Second quarter 2006 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) was \$13.2 million, which represents a 99.6 percent increase over the same quarter last year. Commercial service revenue in the quarter was up 24.8 percent versus the same quarter last year, and comprises approximately 70 percent of Iridium's total revenue. [Link to Additional Information](#)

Northrop Grumman Corporation delivered an advanced and compact power amplifier for the U.S. Army that is capable of enabling the transformation of battlefield communications for its network-centric Future Force. Army Future Force concepts include bringing integrated voice, video and data from joint forces to troops on the ground. This vision requires high data rate, wideband satellite communications (SATCOM) operating at extremely high frequencies. This also requires low-cost SATCOM terminals and

an efficient, scalable system that is compact and maximizes available power for the transmit distances needed by warfighters. Northrop Grumman developed an extra-high-frequency, solid-state power amplifier (EHF SSPA) capable of attaining high power output in a small form factor. The company also demonstrated that the design was scalable to higher power levels. These factors are crucial for Army on-the-move systems. In developing the power amplifier, Northrop Grumman used low-loss combiner techniques coupled with advanced low-cost module technology to provide the best blend of high-output power, high efficiency and low recurring cost. [Link to Additional Information](#)

Lockheed Martin Corporation reported second quarter 2006 net earnings of \$580 million (\$1.34 per diluted share) compared to \$461 million (\$1.02 per diluted share) in 2005 up 26%. Net sales were \$10.0 billion, a 7% increase over second quarter 2005 sales of \$9.3 billion. Cash from operations for the second quarter of 2006 was \$1.6 billion. Net sales for the first six months of 2006 were \$19.2 billion, an 8% increase over the \$17.8 billion recorded in the comparable 2005 period. Net earnings for the six months ended June 30, 2006 were \$1.2 billion (\$2.68 per share) compared to \$830 million (\$1.85 per share) in 2005 up 41%. Cash from operations for the first half of 2006 was \$2.8 billion. [Link to Additional Information](#)

Enabling programmers to satisfy growing consumer appetites for high-definition television, **SES AMERICOM** announced Scripps Networks has launched its new Food Network HD channel aboard SES AMERICOM's HD-PRIME™ cable

neighborhood and AMC-10 satellite. Just in time for great summer recipes, Scripps has unveiled a tasty menu of fan favorite programming in HD. The launch of Food Network HD follows the successful April debut of HGTV HD. The HD delivery of both flagship networks marks the latest milestone in a new strategic relationship between SES AMERICOM and Scripps, which moved all of its networks, including HGTV, Food Network, DIY Network, FINE LIVING TV NETWORK and Great American Country (GAC), to the pair of HD-PRIME satellites (AMC-10 and AMC-11) last year. [Link to Additional Information](#)

Like a chart-topping music video, Home2US and **SES AMERICOM** have struck a chord with international television networks and programmers in search of the most reliable and effective path to vast audiences across the U.S. SES AMERICOM and Home2US announced Bulgaria's music and entertainment channel, Planeta, is the latest to join their growing neighborhood of international television channels and the first to be imported to the U.S. over a new transatlantic terrestrial link. [Link to Additional Information](#)

"YES Interactive only on **DirecTV**," the first-ever interactive television content for Major League Baseball, is now available as part of New York Yankees telecasts on the YES Network (www.yesnetwork.com) and broadcast by DirecTV within the Yankees home television territory. Created to bring Yankees fans closer than ever to their favorite team and players, "YES Interactive only on DirecTV" is a co-production of the YES Network, DirecTV, Inc., and MLB Advanced Media. [Link to Additional Information](#)

Eutelsat Communications announces full year and fourth quarter 2005-2006 revenues. The summary includes: full year revenues at 791.1 million euros, up 5.4% (up 4.6% excluding one-off revenues); fourth quarter revenues at 201.1 million euros, up 6.7%); growth strategy validated by strong performance in European Union countries and in emerging markets); attractive business profile confirmed, combining visibility and growth: two thirds of revenues derived from Video Applications, with more than 2,100 television channels now broadcasting across the fleet. [Link to Additional Information](#)

The day that airline passengers can use their mobile phones and surf the internet has come another step closer with announcement of a deal to equip Airbus jets with **Inmarsat SwiftBroadband**. OnAir, the venture between European aircraft manufacturer Airbus and air transport communications specialist Sita, has selected Inmarsat partners Thales and EMS Satcom to provide the service on board commercial flights, it was announced at the UK's Farnborough Air Show. It means that from the beginning of next year, Airbus passengers will no longer have to put away their mobiles and Blackberries when they fasten their seatbelts. Instead, lightweight Thales TopFlight Satcom terminals will use Inmarsat's high-speed SwiftBroadband service to enable them to carry on just as they would on terra firma. Through an onboard mobile base station, the system effectively creates its own GSM network that routes calls and data from networks on the ground via Inmarsat's new generation I-4 satellites. [Link to Additional Information](#)

Stratos Global Corp. announced it has formed a separate company, wholly owned by Stratos, dedicated to serving U.S. government customers. The new company, Stratos Government Services, Inc. (SGSI), is a single-source integrator of multiple commercial satellite technologies, providing airtime, hardware, installation, network engineering and management, customer support and value-added services globally for the U.S. Department of Defense (DoD), federal and state government agencies. [Link to Additional Information](#)

Stratos to Conduct Communication Systems Repairs and Upgrades for Apache in the Gulf of Mexico. Stratos also is supplementing the microwave-based service with satellite-based backup systems at key connection points to maximize business continuity and recovery of communications in the event of disasters, such as last year's hurricanes. These satellite backup services are in addition to improved circuit protection, additional beach crossings, increased bandwidth, true ATM transport and additional redundancy that have already been added to the redesigned microwave network to improve reliability. [Link to Additional Information](#)

XM Satellite Radio and the American Society of Composers, Authors & Publishers (ASCAP), that they have entered into a new five-year music licensing agreement. The agreement provides for XM Satellite Radio to pay licensing fees (royalties) to ASCAP for the public performance of copyrighted musical compositions in the Society's repertory of over seven million works.

[Link to Additional Information](#)

Emerging Markets Communications

(EMC) played an important role in the international satellite broadcasting of Germany 2006 World Cup. EMC provided uplink service, through the antennas located in EMC Global Teleport in Raisting, Germany. This complex, recently acquired by EMC, has 19 antennas and 120,000 square feet of data center facilities. In addition, it has a highly secure disaster recovery and business continuity infrastructure. The transmissions at Raisting took place through 4 satellites covering North America, Central and South America, Africa and Asia. These 4 satellites cover more than 90% of the world population. EMC provided TV broadcast services in the regions above and even high resolution TV signals to The Americas and Asia.

Representatives of the Federal Aviation Administration (FAA), Harris Corporation, **Americom Government Services**, and Globecom Systems Inc., will be holding a ribbon-cutting ceremony in Woodbine, Maryland to inaugurate the first of two "gateway" teleports for the FAA Telecommunications Infrastructure (FTI) satellite communications network, or FTI-SAT. The Woodbine gateway and another teleport located in California will serve as the downlink sites for all remote terminals that are part of the FTI-SAT network.

Harris is the prime contractor and system architect for the FTI program. [Link to Additional Information](#)

Sirius Satellite Radio said it instructed some of its manufacturers to stop producing radios that do not comply with Federal Communications Commission rules on emissions and frequency. In a regulatory filing, Sirius said it had found some of the company's radio units with

FM transmitters still didn't observe the federal regulations. Sirius said it has taken steps to correct the problem and believes the units currently in production comply with FCC standards. The dog-star company's move follows a similar action by rival **XM** which is having compliance issues of its own with the federal regulation agency. XM announced the FCC had rejected its proposed solution for bringing the units into agreement the the agency's rules. *Story courtesy of SkyREPORT.*

For the third time now, **DirecTV** has opted to delay its new high-def DVR. But as the waters of demand for HD content continue rising to new levels, more quality customers may contemplate jumping ship. This according to a report from Wall Street firm Sanford C. Bernstein. Reports have said the new DVR was originally scheduled to launch earlier this year but now won't hit the market until sometime this fall. Forbes.com said that until recently, many customers have been willing to wait to upgrade to high-definition television until the new DVR is available. *Story courtesy of SkyREPORT.*

XM Satellite Radio announced the appointment of Nate Davis to the newly created position of President and Chief Operating Officer. Nate Davis is a seasoned telecommunications executive, having served in senior management roles at XO Communications, Nextel and MCI. He was President and COO of XO Communications from late 1999 through early 2003. During his tenure, XO became a \$1.38 billion integrated communications provider offering voice, data, internet access, and web hosting services to all segments of the business market. [Link to Additional Information](#)

Upcoming Meetings and Events

6-10 August 2006 - Association of Public-Safety Communications Officials-International (APCO) Annual Conference & Exposition – SIA presenting “First Responders Guide” on August 10th, Orlando, FL www.apco2006.org

8 August 2006 – SIA Regulatory Working Group meeting – SIA office.

21 September 2006 – Continuity of Business (via Satellite) Summit, “Acquiring Robust Communications Capability to Prepare for Natural or Man-Made Disasters,” U.S. Chamber of Commerce, Washington D.C. – Co Hosted by SIA, Space Enterprise Council and NTIA.

26-28 September 2006 – APSCC 2006 Satellite Conference and Exhibition, “Satellites – Growing with Asia”, Hotel Lotte World, Seoul, Korea; info@apscc.or.kr; www.apscc.or.kr/event/apscc2006.asp

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

12-15 November 2006 - IAEM's 2006 Annual Conference and Emergency Management and Homeland Security EXPO Exhibition (EMEX), Orlando, Florida <http://www.emex.org/> and <http://www.iaem.com/>

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

29-30 November 2006 – SATCON 2006, New York City www.satconexpo.com

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

5-7 December 2006 – SIA SATCOM Users Workshop, TBD

10-13 April 2007 - AIAA ICSSC-2007 – “*Evolution towards a Ubiquitous Network Society*,” Seoul, Korea, www.icssc2007.com