



Director's Report

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The Satellite Industry Association (SIA) Director's Report is a weekly executive capsule covering current satellite industry news and events.

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Recent News

The **Satellite Industry Association (SIA)** used the occasion of the 72nd Association of Public-Safety Communications Officials (APCO) International Conference and Exposition to release a new publication touting the critical importance of satellites as a component of emergency and disaster communications solutions and the unique resource satellites bring to the field of public safety communications. SIA's "*First Responder's Guide to Satellite Communications*" is a comprehensive overview and tutorial of satellite technology and its role in response to natural or man-made disasters. The Guide contains an overview of satellite communications capabilities; voice, video and data applications; equipment overviews, and basic, easy-to-follow steps for connecting with a satellite through various types of terminals. A glossary of frequencies, terms and definitions takes the mystery out of the technology for first time users. SIA is targeting its new Guide to the entire emergency communications chain, from emergency responders, to local sheriff departments, to state emergency preparedness officials, to federal emergency communications officials and policy makers holding responsibility for disaster relief and continuity of communications. For more information and an electronic version of the guide, visit www.sia.org and click on

the link "*First Responder's Guide to Satellite Communications*."

The **Boeing Company** recently demonstrated the interoperability of the Transformational Satellite Communications (TSAT) Space Segment program with other transformational military systems during a quarterly program management review. Boeing conducted the demonstration for the U.S. Air Force Military Satellite Communications (MILSATCOM) Joint Program Office and representatives of the TSAT user community. The demonstration allowed users to experience the interoperability of the future space-based network with the Transformational Communications Demonstration Capability (TCDC) system, an enterprise-wide asset that provides a live, virtual, and constructive simulation and test environment. Boeing proved the systems' compatibility by reallocating bandwidth to provide "always connected" communications, including Web browsing, Internet voice services and text messaging to every warfighter, anywhere and at anytime. [Link to Additional Information](#)

The **Federal Emergency Management Agency (FEMA)** is buying more satellite equipment in order to better communications abilities, improve supply shipments and increase situational awareness during the hurricane season. Recently FEMA Director David Paulison

said the agency is focusing on satellite communications because the technology is going to help save lives in times of emergency weather conditions. The new director is confirming what many in the industry and out in the field already knew: satellite communications makes life easier for first responders. Paulison said one of the first tasks the agency is trying to tackle is the improvement of communications between federal departments, state agencies and local governments to assist battered populations. FEMA is now saying that one of the pieces it missed during the Katrina debacle was not providing enough satellite equipment. Preventing the loss of goods in transit is another area FEMA dropped the ball- forcing the agency to purchase a \$20 million satellite-based system for its 800-plus supply trailers. The director also said FEMA bought a satellite-based video streaming system to improve its "situational awareness" instead of relying on local newscasts. *Story courtesy of SkyREPORT.*

Globalstar, Inc. announced that it has launched a new rugged, light weight and weather resistant satellite data modem that will allow customers the capability to readily access the Globalstar satellite network. The SkyHawk M1620 Satellite Modem provides a ready to use solution for customers who require satellite connectivity for their laptop computer or other data only applications. [Link to Additional Information](#)

Globalstar, Inc. announced that it has received the US Government approvals needed to export its eight spare satellites to Europe for continued pre-launch preparations. The satellites, which recently completed initial post storage tests at the Space Systems/Loral (SS/L) facility in

Palo Alto, California, are now being prepared for shipment to an Alcatel Alenia Space facility in Italy where they will undergo additional validation testing.

[Link to Additional Information](#)

Hughes Network Systems, LLC (HUGHES) announced it has signed multiple contracts with Thuraya Satellite Telecommunications. The contracts, worth nearly \$60 million, call for the development and supply of a high-speed mobile data system, including a gateway and 2000 mobile/portable terminals; the addition of a Secondary Gateway Ground Station and Advanced Operations Center to be installed at a new site in UAE; and the provision of 1500 additional mobile system voice circuits. The agreements build on a multi-year relationship between Hughes and Thuraya, which began in 1997. [Link to Additional Information](#)

Hughes Network Systems, LLC (HUGHES) and Helius, Inc. announced an agreement that will utilize Helius technologies in Hughes' new HughesNet™ Digital Media suite of services for the delivery and management of multimedia content for a variety of business IPTV and digital signage applications. [Link to Additional Information](#)

In a survey of small businesses located in the Gulf Coast region conducted by **Hughes Network Systems, LLC** (Hughes), 37 percent of those surveyed were without broadband service for more than five business days and 25 percent of those businesses reported losses of over \$25,000 due to their lack of Internet connectivity. [Link to Additional Information](#)

Hughes Network Systems, LLC

(HUGHES) announced that it is providing a Virtual Private Network (VPN) using its continent-wide HughesNet™ service to Nabors Industries, Ltd., a drilling contractor. Nabors conducts oil, gas, and geothermal land drilling operations in the lower 48 United States, Alaska, Canada, and internationally. [Link to Additional Information](#)

Intelsat announced that Station 53, a supplier of integrated communications services to luxury yachts, has signed a multi-year agreement to provide voice over Internet protocol (VoIP), data and Internet service through Intelsat's GlobalConnexSM managed network. Station 53 is the first maritime service provider dedicated exclusively to providing communications services to the luxury yacht market to sign with Intelsat. Station 53 will use Intelsat's Network Broadband Service to allow luxury yachts sailing in the Caribbean and in the Mediterranean high speed broadband Internet access at throughputs higher than DSL connections. [Link to Additional Information](#)

Intelsat, Ltd. reported results for the three-month and six-month periods ended June 30, 2006. Results for both periods include Intelsat, Ltd. and its subsidiaries, referred to as Intelsat or the company. Results do not reflect our July 3, 2006 acquisition of PanAmSat Holding Corporation, which we renamed Intelsat Holding Corporation. Intelsat, Ltd., reported revenue of \$310.5 million and a net loss of \$42.7 million for the quarter ended June 30, 2006. For the six months ended June 30, 2006, Intelsat reported revenue of \$591.0 million, a net loss of \$132.8 million, and EBITDA of \$401.7

million, or 68 percent of revenue. [Link to Additional Information](#)

With consumer demand for high definition television accelerating, **SES AMERICOM** announced that [Comcast](#), [Bresnan Communications](#), [Brighthouse Networks](#), and [Metrocast](#) are among the first group of domestic U.S. cable MSOs to participate in an innovative triple-feed antenna program, offering access to the next generation of HD channels. [Link to Additional Information](#)

An aid team is using **Inmarsat** BGAN to help clear lethal landmines in Sri Lanka in the wake of a conflict that has claimed the lives of 64,000 people over the past 20 years. The Norwegian People's Aid (NPA) charity has been working to clear landmines from war-ravaged parts of the country since the ceasefire in 2002. It has tested the Nera WorldPro 1000 BGAN terminal for logistical support and says it sees great potential for the use of BGAN in its work. [Link to Additional Information](#)

The JCSAT-10 telecommunications satellite, designed and built by **Lockheed Martin** for JSAT Corporation of Japan, was successfully launched from Kourou, French Guiana. Lift-off occurred at 6:15 p.m. Eastern Daylight Time (EDT) on August 11 aboard an Ariane 5 launch vehicle provided by Arianespace of Evry, France. [Link to Additional Information](#)

Loral Space & Communications Inc. reported its financial results for the three and six months ended June 30, 2006. Total consolidated revenue for the second quarter, driven by continued robust new awards for satellite construction contracts at Space Systems/Loral (SS/L), rose 41 percent to \$193 million from \$137 million in the same period last year. For the first

half of 2006, Loral's revenue totaled \$365 million, a 36 percent increase over the \$269 million reported in the first six months of 2005. [Link to Additional Information](#)

NSR released *Disaster Recovery and Business Continuity via Satellite*. This report provides an in-depth analysis of the emerging satellite-based disaster recovery and business continuity market and analyzes the growth potential for backup and redundant solutions delivered via satellite. Both fixed and mobile satellite services are among the key means to enabling disaster recovery and business continuity services, as they provide an "always-on" network redundancy capability. This report assesses the drivers behind this market, the projected satellite bandwidth and equipment sales, vertical segments driving growth, types of available satellite solutions, and applications and system requirements for satellite-based disaster recovery and business continuity solutions. [Link to Additional Information](#)

Space Systems/Loral (SS/L) announced that it has been awarded a contract to build the TerreStar-2 MSS (mobile satellite services) satellite for **TerreStar Networks Inc.** TerreStar's two satellite system, which includes the TerreStar-1 satellite currently under construction at SS/L, together with an Ancillary Terrestrial Component (ATC), is designed to provide next-generation, 2-GHz mobile voice and data communications, monitoring and messaging services throughout the United States and Canada. [Link to Additional Information](#)

SES Global said its revenues rose 16.6 percent to \$910.9 million (EUR 710.5 million) during the first half of 2006

compared to \$781 million (EUR 609.2 million) during the same period in 2005 because of dynamic demand for satellite capacity in the main world markets and growth in services. Net profit rose 28.6 percent to \$276.24 million (EUR 215.6 million) compared to \$214.9 million (EUR 167.7 million) in 2005. As a result, earnings per share rose 34.5 percent to \$0.49 (EUR 0.39) compared to \$0.37 (EUR 0.29) in 2005. [Link to Additional Information](#)

Lockheed Martin Maritime Systems and Sensors (MS2) has joined Harris as a teammate in the competition to develop the next-generation, Advanced Extremely High Frequency (AEHF) Navy Multiband Terminal (NMT). The AEHF NMT will be installed on ships and submarines and also used on shore. The U.S. Space and Naval Warfare Systems Command is scheduled to perform a competitive downselect and issue a contract in June 2007 for the design, development, integration, test and production phase of the AEHF NMT program. [Link to Additional Information](#)

The **DIRECTV Group, Inc.** reported that second quarter revenues increased 10% to \$3.52 billion and operating profit before depreciation and amortization nearly doubled to \$977 million compared to last year's second quarter. The DIRECTV Group reported second quarter 2006 operating profit and net income both more than doubled to \$741 million and \$459 million, respectively, when compared to the same period last year. Earnings per share were \$0.36 compared with \$0.12 in the same period last year. These operating results include the effect of \$253 million of equipment that DIRECTV U.S. capitalized during the quarter under its lease program, which was implemented

March 1, 2006. [Link to Additional Information](#)

DIRECTV, USA Network and the USTA are providing tennis fans with the first-ever interactive TV coverage of a major U.S. tennis event through a new service, US Open Interactive on USA only on DIRECTV. [Link to Additional Information](#)

AMERICOM GOVERNMENT SERVICES, Inc. (AGS) and Wheat International announced that the companies set a new documented record for mobile broadband Internet services recently during a public test of the TeleSeasm Network (TeleSeasm) in the Norfolk, Va., area. These long-range wireless Internet systems, which support high-speed data and voice traffic, can be set up instantly and have many commercial and government wireless applications, including meeting first responder needs during disasters. [Link to Additional Information](#)

Integral Systems, Inc. reported financial results for the third quarter of fiscal 2006. Revenues for the quarter were \$27.4 million, up from \$25.4 million in the third quarter of fiscal 2005 – an increase of approximately 8%. Third quarter operating income was \$3.9 million compared to \$2.6 million for the third quarter last fiscal year, an increase of approximately 47%, while net income was \$2.8 million (\$0.25 per diluted share) compared to \$1.9 million (\$0.18 per diluted share) for the third quarter of fiscal 2005, which represents an increase of 48%. Third quarter revenue, operating income, net income and earnings per share were slightly above revised guidance issued in May of this year. [Link to Additional Information](#)

The Boeing Company announced that a detailed business and market analysis of *Connexion by Boeing* is complete, and the company has decided to exit the high-speed broadband communications connectivity markets. Boeing will work with its customers to facilitate an orderly phase out of the *Connexion* by Boeing service. [Link to Additional Information](#)

The HOT BIRD[™] 8 broadcast satellite of **Eutelsat Communications** was successfully launched by a Proton Breeze M launch vehicle from the Baikonur Cosmodrome at 03.48 am Baikonur time August 5. Weighing in on the launch pad at 4.9 tonnes, HOT BIRD[™] 8 is a European Ku-band broadcast satellite for geostationary orbit. [Link to Additional Information](#)

Alliant Techsystems (ATK) announced that earnings per share in the first quarter rose 10 percent to \$1.09 from 99 cents per share a year ago. The prior year period included an 8-cent tax gain. Excluding this gain, FY07 first quarter EPS increased by 20 percent. Sales for the quarter, which ended July 2, climbed nine percent to \$822 million with organic sales growth accounting for all of the gain. Sales in the prior year period were \$757 million. The company also said its EBIT margin (earnings before interest and income taxes as a percent of sales) increased to 9.7 percent from 9.3 percent a year ago. [Link to Additional Information](#)

Emerging Markets Communications Inc. (EMC) was recently granted ISO 9001 Certification. After undergoing a 3rd part auditing process, it has been deemed that EMC's Quality Management System complies with ISO 9001:2000 standard

requirements. [Link to Additional Information](#)

The topic of tweener satellites for satellite TV services recently surfaced again at the **Federal Communications Commission**, with one DBS player urging caution with the potential capacity boost "tweeners" could provide the business. "Tweener" satellites would be positioned 4.5 degrees from existing DBS orbital locations, compared to the 7 degree separation between satellites today. There's also talk about putting Ku-Band and Ka-Band "topper" satellites above traditional orbital locations to increase satellite capacity. *Story courtesy of SkyREPORT.*

The U.S. Space and Naval Warfare Systems Center (SPAWAR) in Charleston, South Carolina has awarded **Arrowhead Global Solutions** an indefinite-delivery/indefinite-quantity contract for portable satellite communications (SATCOM) terminals. Arrowhead said it

is one of eight companies selected for the program to provide equipment and services designed to increase the effectiveness of communications for U.S. and coalition forces. The period of performance includes a one-year base and four one-year option periods. According to Arrowhead, work on the SPAWAR contract will begin immediately, and providing all options are exercised, the contract will continue until July 2011. The total value of all delivery orders awarded over the life of the contract is estimated to be \$52.6 million. [Link to Additional Information](#)

Telenor Satellite Services unveiled its mobile satellite emergency communications response kit, enabling voice, data and Internet communications during emergencies where the local infrastructure is damaged or destroyed. [Link to Additional Information](#)

Upcoming Meetings and Events

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

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 – DoD SATCOM Users Workshop, TBD