

February 14, 1992

To: Tom Whitehead

From: Jeffrey Manber (JM)

Five pages total

Lisa: Please hold this for Tom, + I will come on next week.

Manber.

JM.

## Suggested PanAmSat Campaign

### **1.0 Objectives:**

- 1) To increase awareness in the overall political, business and telecommunications communities on the success and growth of the company.
- 2) To strengthen the reputation of the firm as being a team of highly talented, knowledgeable professionals.
- 3) The undertaking of a public relations campaign which, for the first time, does not have as an objective the changing of regulations or the pitting the company against more established foes.

### **2.0 Goal**

To articulate the philosophy and strengths of the company as it moves into a phase of seeking outside capital and partners; and secondly, to begin to put into place some of the "public relations" mechanisms necessary for either a more public company, or legally speaking, a public company with shares traded on the stock exchange.

### 3.0 Vehicles of Implementation

#### 1. An industry ad for the Homestead

Given that few people know the state-of-the-art Homestead facility and given that few organizations are hiring in this climate, an ad placed in industry journals, Space News, Aviation Week and Via Satellite would serve the above listed objectives and goals.

Whenever a position is opened up, or even if a promotion is taking place from within the company, this sort of ad should be placed. It creates a great deal of positive industry interest.

Status: *I am working with Henny to pull together an ad on the Homestead.*

#### 2. Issue-oriented press releases

A series of press releases should be undertaken that reflect this company's beliefs on events taking place in the overall community.

Example: The WARC meetings. The FCC is supporting greater satellite competition, greater use of frequency. This is really PanAmSat's philosophy. And it has been for seven years. We should remind people in government and in industry that this industry is moving in PanAmSat's direction.

Status: *I will write a sample press release next week quoting Fred on the company's support for greater competition in satellite communications.*

3. Issue Papers

Brief, easy-to-read issue papers should be generated by the company both from within and from others in the community. Government decision-makers are often starved for ideas, and welcome well-written documents that reflect on often complex issues. We shouldn't wait for a magazine article or a think-tank to produce something. Issues of decentralization of telecommunications, the role of Intelsat, the monopoly status of Comsat. We could support on a modest financial level a study out of a think-tank or a George Washington University, or in-house.

Remember, people are not thinking about these issues as often as we are; people need to be reminded about these issues and the role of PanAm Sat in helping shape the current view that private competition is a healthy and necessary part of the telecommunications industry.

These reports will become part of the industry "memory", and will be read by potential partners and investors. doing their due diligence. In essence, you are creating a climate to make investment easier.

4. Company Newsletter

On one level, silly I know. But no, not for a public company or industry leader. A simple, but high-quality quarterly newsletter would support all of the above activities, highlight company employees, new contracts, provide sections of speeches by Rene, Henry and Fred, list events where PanAmSat has a booth or marketing presence, a section on new customers or "nifty" examples of customer problems solved by the company.

Status: Needs approval

5. Annual Report

Pan Am Sat should prepare for a June release for its first formal annual report. The report would highlight the 1990 year for the company. Included would be an opening letter from the chairman, a report from the president on market growth, an income section, report from Henry on the FCC, one perhaps from Tom on new markets in Asia. In short, a very nice package of information, one that could be given to investors, partners, customers, industry financial analysts, government decision-makers world-wide and the press. It would also be a chance to reflect on just how far the industry has evolved because of this company. That's a very powerful marketing asset.

And, given that public companies must have annual reports it would prepare the way for next year's report.

Status: Needs approval.

I am currently working on some other options, including meeting with financial analysts to learn of their questions and concerns. I am also sending away for copies of annual reports from space and telecommunications companies, newsletters (Orbital Sciences has a newsletter, for instance, on their Orbcomm low-earth satellite system), and should have those in the office in a week.

I view the above suggestions as complimentary to the ongoing press relations out of the main office. Both are necessary as the company grows into new markets, new regions and involves new players.

--JM

January 27, 1992

✓ Fred  
FYI  
Tom

To: Tom Whitehead

From: Jeffrey Manber (w)

Re: Status of Proton negotiations within the Russian Republic

I have received this morning a reply from Mr. Yuri Semenov, general designer of NPO Energia.

Mr. Semenov states that

- he is fully aware of the negotiations with PanAmSat;
- the MOU has been approved all the way to the Kremlin;
- that NPO Energia will supply the fourth stage of the rocket and their own negotiations with the other design bureaus will soon begin.

Mr. Semenov was quite clear that this project has the official approval of the Russian government and the space industry leaders are talking among themselves regarding responsibility for the project.

Based on the quickness of the reply to my question, based on the tone of the fax and the data points he gave, I would say the project is in good shape from the Russian side. I would further state that low-level comments to the contrary are efforts by others to get in on some of the dollars...

I trust this is of use to you.

Mr. Semenov's fax is in Russian and has been faxed three times, but if you want it for your records let me know. (I would have to ask that it be kept in your records and not PanAmSat. I would be very concerned that his fax would be taken to Moscow, or in a folder during discussions with Russians, and if it were seen by the Russians that would be a major problem).

If you wish to keep me informed on the details of the MOU and your negotiations I may be able to keep you informed on the progress and hurdles from the Russian side.

Via FAX 703/847-8804

FACSIMILE MESSAGE SHEET

NOS. OF PAGES INCLUDING COVER 2

FACSIMILE NUMBER: 203/622-9163

IF TRANSMISSION IS INCOMPLETE, PLEASE CONTACT 203/622-6664

TO: Tom Whitehead  
cc: Fred

FROM: Elizabeth Dickins

DATE: Jan 28, 1992

SUBJECT: For your information, this is Alpha Lyracon's proposed exhibit and speaking arrangements. This list does not include shows which we are not involved in. Also please advise me whether you can do the Satellite XI presentation.

Speaking

Feb 11	8th Investment Conference	New Orleans
Ammar speaking		
Feb 26	VenCom	Venezuela
Amanda/Doug speaking		
Mar 4-6	Satellite XI	Wash DC
Whitehead ?		
Mar 4-6	Universal Comm 2000	Hong Kong
?		
Mar 5	Networked Economy	Paris
Fred		
Mar 7	Mar de Plata	Argentina

Mike

Mar 10      Latcom Intercom      Miami  
?

Mar 17      SD Comm Council      San Diego  
R. Anselmo

Mar 23-25   Technological Partners      San Fran.  
Fred

Apr 4-6      Americas Telecom      Acapulco  
Regulatory= Doug  
Technical/Policy= negotiating arrangements

May 6-8      Venice Conf      Venice  
negotiating arrangements

Exhibiting

Satellite XI    March      Wash DC

Americas Telecom    April    Acapulco

NAB            April      Las Vegas

ICA            May        Atlanta

NAB radio    June        Montreux

NAB radio(domestic)    Sept    New Orleans

TCA            Sept        San Diego

Telecon        Oct        San Jose

SCUC            Nov        Wash DC



-Sent via DELPHI on 19-AUG-1991 at 10:56 ET.

August 19, 1991

To: Clay T. Whitehead  
President  
Clay Whitehead Associates

From: Jeffrey Manber  
PSA Associates

Re: Media Strategy

Tom, as we briefly discussed on the phone, I am going back to square one regarding serious publicity via the media.

The best way to handle this to create a good foundation at a level that is a bit low, and then work that up the "food chain." Washington Technology is coming out tomorrow with a story on the company and the strange behavior of the Bush Administration. It was scheduled for page one, thought the situation in Moscow may change that.

I will use that story to reinterest the major media. We were hurt both by the short timing of the press conference, but also the feeling among the reporters that I talked to that this was not a real deal--that the issue of funding was still in question. "This is more a plea for getting money than an announcement of a deal." was the comment of a reporter at Business Week. Apparently Rene even said something to that affect during the press conference.

Per our discussion, I did confirm that Washington Technology sends a large number of their copies by messenger to government officials. I do know for a fact, for instance, that it is part of the reading material of the Vice-President, who reads space articles in the publication clipped from the whole.

By the way, I haven't seen the article, but I will ask them to fax it to me and to you on Tuesday.

August 22, 1991

## NEWS

# All-Stars Join Comsat/Intelsat Lobbying Team

By Gene Koprowski  
STAFF WRITER

Comsat and its international parent Intelsat have enlisted the CIA and a host of former senior aides to Presidents Bush, Reagan and Carter as they fend off attempts by tiny PanAmSat to end Intelsat's government-granted monopoly on the routing of U.S. overseas telephone calls, government officials said.

On July 18, PanAmSat attorney Henry Goldberg filed a petition before the FCC requesting that restrictions prohibiting separate systems from carrying telephone traffic on the international Public Switched Network (PSN) be recast to allow competition from the \$25 million revenues, Stamford, Conn.-based company.

PanAmSat's monopoly-busting proposal was taken up in mid-April by the National Security Council's President's Coordinat-

ing Committee, an interagency body, and in recent weeks by the Federal Communications Commission. The proposal could bring the U.S. in line with other countries, which allow competition in international PSN phone traffic, handled in the U.S. by Comsat (WT, May 30).

At the same time, the lobbyists were registering as Intelsat representatives under the Foreign Agents Registration Act (FARA), according to documents filed at the Justice Department and other federal agencies.

Signing on: Carter adviser Stu Eisenstadt, Carter press secretary Jody Powell, Carter counsel Lloyd Cutler, Democratic fundraiser Anne Wexler, Reagan Chief of Staff Ken Duberstein and Bush aide Craig Fuller.

In addition to the list of political luminaries, the Central Intelligence Agency has weighed in

against the start-up PanAmSat, government officials said, explaining that the CIA has longstanding connections with Intelsat, and even had some employees working there. Officials also said the agency uses the 14-satellite network to eavesdrop on telephone conversations and is argues that ending the monopoly would harm national security.

"This issue has been grabbed by the National Security Council," said a government official. "They don't want it and the Pentagon doesn't want it. This is just bureaucrats afraid of change."

A spokesman for Intelsat, Tony Trujillo, said that some of the lobbyists on the federal lists

worked for Intelsat, while others worked for Comsat. "But we haven't gone out and hired any specifically for PanAmSat," he said. "I just ran this down to the legal department and none of these people are on retainer. We have worked with them on an information basis, though."

CIA spokesman Joseph R. DeTrani did not return phone calls regarding the Comsat and Intelsat allegations.

PanAmSat attorney Goldberg said that since the lobbying effort began, he has been denied access to officials weighing the decision on the company's future. "It's very frustrating to have a star-chamber proceeding where all

you're told is the result. You can't go to court. You can't do anything," said Goldberg.

He said OMB and CEA officials expressed dismay that the issue was co-opted by PCC.

Government officials said the PCC group, which has met several times on the Intelsat issue, would likely draft a compromise solution, making Intelsat and Comsat open to competition in 15 years—essentially ending the chances of PanAmSat.

The irony is, one official said, that in other matters the Bush administration seeks to end monopolies and encourage competition, as a matter of U.S. industrial competitiveness.

## Tech Council Open for Business

By Kimberly Searce  
STAFF WRITER

This morning, Virginia Lt. Governor Don Beyer will unveil the new Northern Virginia Technology Council. An expansion of the Fairfax County Chamber of Commerce's High Technology Council, the new group aims to promote technology throughout the region while serving as a model for the rest of the state.

"This group of technology and related business CEOs will work to support, attract and provide service of great value to this community. The Council will

firms, state universities, federal labs, the Center for Innovative Technology and the community.

The new group plans to:

- Promote the interests of the

- Build a comprehensive regional position on major technology issues.

- Provide a forum whereby the council informs the technology community consistently and in a quality manner.

- Become a model council for the Commonwealth of Virginia.

These efforts will also involve active participation of the Commonwealth of Virginia, the CIT, other Northern Virginia Chambers of Commerce and the Fairfax County Chamber.

Originally an initiative of the Fairfax County Chamber of



## NOAA: Restructure GOES

*No Credibility for "Capable" Launch in 1992*

By Gene Koprowski  
STAFF WRITER

Weather service officials seriously doubt NASA's claims that the GOES satellite can be launched in 1992 and have recommended to Commerce Secretary Robert Mosbacher that the program be restructured, govern-

Only one aging U.S. weather satellite remains in orbit. A gap in weather satellite coverage for the U.S. will occur sometime in the next few years unless a new satellite is launched.

According to a letter sent from Rep. Sherwood Boehlert, ranking Republican on the House Investigations and Oversight

Sent via DELPHI on 10-SEP-1991 at 08:52 ET.

September 10, 1991

To: Tom Whitehead

From: Jeffrey Manber

Re: Aviation Week

I seem to have convinced Aviation Week and Space Technology to do a story on the current status of Intelsat, and the competition now developing.

I'm real pleased by this because Aviation Week is read by everyone in the government and by the international community and, secondly, they have refused to run anything on the company to date.

The reporter is Jim Askew. I have sent him a package of material and he may be giving you a call. I'll keep you informed.

LAW OFFICES  
**GOLDBERG & SPECTOR**  
1229 Nineteenth Street, N.W.  
Washington, D.C. 20036

Telephone:  
(202) 429-4900  
Telecopier:  
(202) 429-4912

**FAX TRANSMISSION COVER**

TO: C. T. WHITEHEAD

cc: H. WRIGHT

FROM: HENRY GOLDBERG

DATE: Tue, Dec 10, 1991

TELECOPIER NO:

NUMBER OF PAGES INCLUDING COVER: 4

If you have any questions or do not receive all pages, please call (202) 429-4900.

NOTES:

Here's the final of the "Soviet" launch paper, for your respective records.

BACKGROUND INFORMATION RE:  
ALPHA LYRACOM USE OF SOVIET LAUNCHES

\* Alpha Lyracom Space Communications, Inc. ("ALSC"), a United States company, operates the world's first privately-owned international satellite system. The Chairman of ALSC is Rene Anselmo, the Vice Chairman is Clay T. Whitehead, former head of the White House Office of Telecommunications Policy in the Nixon Administration, and the President is Frederick Landman.

\* Using its PAS-1 satellite, which covers Europe, North America, Latin America and the Caribbean, ALSC provides video, data, and voice telecommunications services to over 120 customers in more than 60 countries. As a result of the success of PAS-1, ALSC is expanding its system globally by placing three more satellites in orbit, covering, for the first time, the Pacific and Indian Ocean Regions. Hughes Aircraft, Inc., will manufacture this new generation of satellites, which are scheduled for launch in 1994-1995.

\* ALSC recently has agreed to reserve launch services for the three new satellites from Krunichev Enterprise. The agreement is expressly conditioned on ALSC being able to secure U.S. governmental approvals to export the satellites for launches in the territory of the former Soviet Union. The agreement also provides that Krunichev will assist ALSC in securing necessary approvals to offer satellite services in and among the territories of the former Soviet Union and between those territories and other countries. ALSC will have to designate a launch vehicle by the spring of 1992.

\* The U.S. State Department has had a longstanding, and now out-moded, prohibition against licensing the export of U.S. communications satellites to the Soviet Union, which must be lifted to allow for these launches of the ALSC satellites. It is our understanding that a review of the prohibition has been underway since the U.S. - Soviet summit meeting in July 1991, but, given the ALSC agreement with Krunichev, the review must be accelerated and the prohibition must be eliminated.

- In addition to the export of technology issue, there are other issues, and other U.S. agencies, that are involved when launches are offered to U.S. companies by launch providers from countries with nonmarket economies, who are competing with the U.S. commercial launch industry. It is likely, therefore, that any Soviet launches allowed by the U.S. would have to be included in a bilateral launch agreement with the U.S. government, which would specify "on-par" pricing, similar to agreement between the U.S. and the People's Republic of China.

- It is most important for the appropriate government officials to emphasize to U. S. officials how vital commercial space launches are to the former Soviet Union and how the agreement will facilitate the provision of private satellite services in this region by a U.S. company. These points are covered in the attached outline.

- A key point of contact on this issue is the U.S. ambassador in Moscow, Robert Strauss. In Washington, the Secretary of State, James Baker, or his counsel, Robert Zoellick, or his Under Secretary, Lawrence Eagleburger, would be the best initial contacts.

## TALKING POINTS OUTLINE

- \* The Proton launcher has a demonstrated ability that is needed by U.S. satellite companies. A U.S. company, Alpha Lyracom, has signed an agreement reserving launch services for up to three new satellites from Krunichev Enterprise, and, under its satellite construction contract, must designate a launch site by the spring of 1992. The agreement with Krunichev also provides Alpha Lyracom a means to get approval to provide service to customers in the region.
- \* U.S. government approval must be given before the ALSC<sup>2</sup> satellites can be exported to the Soviet Union for launch.
- \* The sale of launch services to U.S. companies would provide a needed source of hard currency, and would help the transition of a former defense industry to civilian production. This is a significant way that the United States can provide needed assistance without providing financial aid.
- \* The export of U.S. commercial satellites for launch does not represent a threat to U.S. security interests, since the technology of such satellites is not critical and, in any event, adequate safeguards will be in place. Moreover, governmental authorities in the former Soviet Union are prepared to enter into an agreement with the U.S. to assure "on-par" pricing of launch services in order to avoid disruption to the U.S. commercial launch industry.
- \* The arrangement between ALSC and Krunichev also will facilitate the provision of private satellite services in this region by U.S. industry, thereby creating an invaluable telecommunications infrastructure necessary for economic development and increased trade with the U.S.
- \* I ask that you immediately begin the process of approving the launch of ALSC's communications satellite in the territory of the former Soviet Union.



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## FACSIMILE COVER SHEET

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CLAY WHITEHEAD ASSOCIATES  
1320 OLD CHAIN BRIDGE ROAD  
McLEAN, VIRGINIA 22101  
FAX: (703) 847-8804  
VOICE: (703) 847-8787

TO:

Jeff Mamber

COMPANY:

FAX #:

202-962-3885

DATE:

7/3/91

TIME:

10:40

FROM:

T Whitehead

Pages following this cover sheet: 4 pages.

COMMENTS:

Jeff  
This is what  
we are up  
against  
Tom

# SATELLITES IN ASIA

## *Boom in the Nineties*

by T. J. Brewer

**C**ommunications via satellite are not new in Asia.

Indonesia's first satellite—Palapa A1—was launched in 1978 to provide domestic telecommunications services for that 15,000-island nation. Insat 1B, launched in 1983 (following the deployment failure of 1A) provided weather monitoring and DBS television as well as telecommunications services for India. Arabsat 1 was launched in 1985 to provide domestic and international services to a number of Arab nations. China has been building and launching its own satellites since 1984. However, the growth of satellite communications services in Asia has not paralleled that of North America or even Europe because the satellite carriers have been highly regulated and controlled by the national PTTs, and by the poor basic telecommunications infrastructure over most of the continent.

Last year saw the launch, on April 7, of Asia's first privately owned communications satellite, AsiaSat 1, using the Long March 3 booster, also the first time that China launched a western commercial satellite. A year later it now seems that the timing of the AsiaSat venture was just about right to catch the wave of satellite communications projects that is rippling through Asia. These developments are coming about by the deregulation and privatization of the telecommunications sector in many countries, stimulated by western examples and prodded by the inability of overloaded public networks to keep up with demand for services in the rapidly developing countries of Asia.

In the less developed countries, PTTs finally are starting to realize that satellites are a quick way to reach inaccessible areas relatively cheaply. AsiaSat's marketing prelaunch basically was educative; it is now paying off with networks being installed in Mongolia, Burma and Pakistan, and planned in Nepal and Bangladesh.

### **PRIVATE NETWORKS**

In the new emerging "dragon nations" of Southeast Asia there is a rush to set up private networks via satellite to

compensate for inadequate public facilities. Palapa always has provided coverage of Thailand and the Philippines as well as Indonesia, and these three countries are all now licensing private VSAT-type networks.

Just as in North America where television carriers first filled the domestic satellites, to be followed by VSATs in recent years, the same is happening in this corner in Asia. However, as opposed to North America where the market is primarily VSAT data, the requirements are often for voice as well as data traffic. The major VSAT manufacturers all have a presence here and all are adapting their Ku-band VSATs to accommodate the relatively low power (32-36 dBW) C-band satellites.

A private network license is essentially a carriers license, and new companies are being formed, usually owned by powerful local conglomerates, to develop these markets. The Philippines has granted three domestic carriers a license to operate private satellite networks and three other groups have applied for a license.

Palapa is almost full on both satellites and new operators must wait for the launch of B4 scheduled for next year. The Philippines and Indonesia are not in AsiaSat's footprint, but Thailand has good coverage and Compunet, one of the Thai licensees, has taken an AsiaSat transponder for its network (supplied by NEC) as well as retaining a quarter transponder on Palapa. The other Thai licensee, Samart (supplied by Scientific Atlanta), already has reserved a second transponder on Palapa in addition to the one and a quarter it was already using. Hughes Network Systems has supplied some terminals to one Philippine operator and signed a contract for another Indonesia, and Scientific Atlanta has been supplying another Indonesian network. There is some indication now that local companies are investigating integrating their own systems and some of the smaller American systems houses have been active in the region.

China has been operating a VSAT network jointly developed by Nanjing Radio Factory and VSI, first using Intelsat and then its own DFH2 lightsats. Very recently several Chinese organizations have signed contracts with Hughes



*At the top of the world, a satellite TVRO antenna brings in one-way satellite services and video in Kathmandu, Nepal.*

Network Systems and China's Ministry of Posts and Telecommunications recently has leased a number of transponders from AsiaSat for both television and thin route networks. These "private" networks will be used by state owned organizations and ministries and would be operated by MPT, although there is growing pressure from the users to operate their own networks.

India is still highly regulated and the Department of Communications has been operating its own data service in a joint venture with Equatorial. There is pressure from the private sector (as well as serious need) for deregulation and the freedom to operate their own networks, and for a time the government was heading this way. However, with the deteriorating political situation and the chronic shortage of transponders on Insat (due to the failure of IC), it appears that India will have to wait some time for private networks.

Only in Japan have North American-style VSAT networks sprung up. The two competing Japanese domestic satellites offering high power (50-plus dBW) Ku-band services have aggressively marketed private VSAT networks. Even though Japan is geographically small and served by an excellent terrestrial network, VSATs are a sign of prestige and, since domestic carrier rates are so high, can be competitive in price. Both operators have their own shared hub service subsidiary companies. The recent in-orbit failure of Superbird 1A coming after the launch failure of backup up 1B may serve to consolidate some of these networks. JCSat was able to take on most of the customers of Superbird, but potential new customers will now be cautious about committing themselves.

### **PUBLIC NETWORKS**

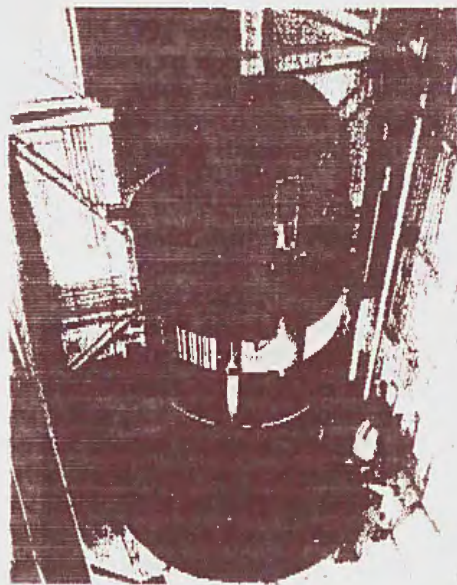
Asian satellites are playing an increasing role in national public telecommunications services. Indonesia's domestic carrier and satellite operator Perumtel has been steadily increasing its use of Palapa using a variety of modes; FDMA,

both DAMA and PAMA SCPC circuits, and a recently installed channel hopping TDMA service, supplied jointly Spar Aerospace and Scientific Atlanta.

Perumtel now uses 19 transponders on Palapa B2R (reserved for Indonesian domestic use) the others being used by domestic television, private networks and military communications. The Indian D.O.C. is using 10 out of 12 transponders on Insat. Japanese domestic carrier Nippon Telephone & Telegraph was leasing all six of Superbird's Ka-band transponders for public networks, before its failure.

A number of countries have just started to use satellite links to supplement their terrestrial circuits. Burma became AsiaSat's first customer, and besides using the satellite for national television coverage, installed a thin route SCPC network supplied by China's Ministry of Electronics Industry, for rural telecommunications. Mongolia has just installed an earth station in Ulan Bator, connecting the capital city via AsiaSat with Hong Kong's Intelsat gateway. Mongolia will be starting a domestic television and rural telecommunication service using AsiaSat in a joint venture with Hong Kong's Cable and Wireless. Pakistan's PTT also has reserved capacity on AsiaSat for a satellite network to complement its microwave backbone.

In the Philippines, Domsat, the public domestic satellite carrier, has concluded a study to provide municipal public calling offices in rural locations and the government has invited bids to manage the company. A very successful joint venture was made between Australian international carrier, OTC, and Vietnam. OTC installed earth stations in Hanoi and Ho Chi Minh City (Saigon) and, using Intelsat, switching via Australia, provides both international and domestic trunk services, with OTC collecting a percentage of the international revenue. Only China, surprisingly, does not use satellite links for domestic public switch networks, although this will probably change once China launches its DFH3 satellite series.



*JCSat 2, built by Hughes Space and Communications for the Japan Communications Satellite Co., is just one of many satellites planned and operational in the Asian and Pacific markets. Photo courtesy of Hughes.*

## ASIAN TELEVISION VIA SATELLITE

Two and a half billion people, half of the world's population, live in Asia; there were 250 million television sets estimated in use in 1990. Countries already using satellites for domestic television feeds include Japan, China, Thailand, Malaysia, Philippines, Indonesia, Burma, India, Iran, Oman, and others such as Papua New Guinea, Mongolia, Pakistan, Nepal and Bangladesh are planning satellite television networks.

Some organizations are starting to look at the potential of television programs for the pan-Asian market. Already there have been precedents: The home satellite dish market in Indonesia (500,000 TVROs) started because of spillover by Chinese domestic television on Intelsat, and the dishes in Taiwan (300,000 TVROs) sprung up because of spillover of Japanese DBS programs.

The Armed Forces Radio and Television Services Network transmitting via Intelsat was watched widely for years worldwide but has now been scrambled. However, CNN is now accessible on both Intelsat and Gorizont and is being watched by hotel patrons and private users in most of Asia.

Japanese cable television programs are being relayed via Japanese domestic satellites. These television programs can be received on small DBS antennas, but because of Japanese regulations cannot be directly used by home users; they are only for cable distribution. However, Korea and Taiwan are receiving the spillover and some people have been able to obtain the decoders.

Malaysian, Philippine and Thai domestic television programs on Palapa are watched by Indonesians with home TVRO dishes. The Malaysian channels carry some advertising that is indirectly aimed at Indonesia viewers. TOPAZ, a scrambled channel, is on Palapa for relay of television signals from Australia to Sri Lanka, but the decoders are widely available in Indonesia. Also, both Australian and Macao

horse-races are being transmitted for closed circuit feeds, and are available throughout the footprint.

There has been a scramble recently of would-be satellite television operators to find a transponder on Palapa B2-P. Television New Zealand contracted last year and plans to operate a premium English channel starting mid-year, and several other program providers such as ESPN (now relayed via Intelsat POR), CNN and Hong Kong's Chinese Channel TVB have been investigating the use of Palapa to carry their programs (encrypted). Not only is there a large potential home TVRO market, but new cable television services are starting in Philippines, Taiwan and Thailand. Other countries such as Singapore, Malaysia and Korea are also planning cable systems.

In another development, Indonesia's first private television station RCTI has now gone nationwide via Palapa and the second station SCTI has reserved capacity. Indonesia is in the process of licensing regional TV station franchises. In the past only one TV channel, state-owned TVRI, has been broadcast. In the deregulated Philippines, only ABS-CBN goes nationwide via satellite to its network, but the other four networks are now looking into using satellite, especially with the recent stimulation of live news from CNN during the Middle East war.

AsiaSat has been touted as the first pan-Asian television bird, thanks to the publicity given to Hutchvision. Hutchvision, a subsidiary of AsiaSat shareholder Hutchison Whampoa Ltd., is planning a five-channel network on both beams of AsiaSat (total of 10 transponders), and has the exclusive rights to use AsiaSat for non-domestic television over Asia. The company recently acquired EZTV, the company that had leased exclusively capacity on AsiaSat for a music channel. EZTV was scheduled for launch just last month. Hutchvision has been wooing potential program suppliers and has recently announced a deal with U.S. Prime Sports Network for a sports channel. There has been some scepticism on the part of some programmers about Hutchvision's intention not to scramble its programs and rely on advertising revenue only. Hutchvision executives claim this move is to encourage as many new viewers as possible.

AsiaSat's television services will raise a number of issues, such as how will the governments of countries that control their media react? How will the new cable television networks starting up in Asia react? Will there be enough viewers to support multi-channels by advertising revenue alone? Will there be restrictions on cross-country advertising or, for that matter, on the uplinking of pan-Asian television from a host country?

The doubts are there, but the prize is enormous. The TVRO industry is well established in many Asian countries. Companies from Taiwan, China, Indonesia and India are all gearing up for the anticipated boom in home TVRO.

## NEW SATELLITES FOR ASIA

Now that satellite communications in Asia seem to be heading into a new expansive era in the 1990s, there are several organizations both private and government looking into operating satellites. AsiaSat is planning its best configuration before calling for an RFP for a second satellite. The company has examined several different concepts, and the one that seems likely at this moment is a satellite located in the Indian Ocean with coverage stretching from Europe to Japan.

C-band coverage would be broken into East and West beams and the company is deciding whether to include Ku-band spot beams. AsiaSat will probably not reach a decision

until year-end, putting AsiaSat 2 into launch around 1994 or 1995.

Palapa currently is operating two satellites and B4 is scheduled for launch in 1992 either by Delta or Long March. Perumtel turned down an option by Hughes to double the traveling wave tube power on B4 which would have given EIRPs in Thailand and Taiwan almost as high as AsiaSat's. However, Perumtel is being streamlined into a state-owned corporation and planning is well under way for the C satellite series, which probably will be hybrid satellites and may have pan-Asian spots. Perumtel, with its fleet of satellites and a long-time established operator, could be serious competition to AsiaSat in the regional market.

Intelsat is planning two series VI satellites in the Indian Ocean, and will without a doubt be looking at a slice of the regional domestic market, which it has long had as its own domain. The relaxing of PTT monopolies and deregulation should stimulate Intelsat business, however, increased international traffic could limit the availability of spare capacity for domestic traffic. It is unlikely for some time that public switched traffic will be open for private carriers.

The Japanese satellite business has suffered a loss of face with the failure of the Superbirds. The backup for 1B is scheduled for launch in November of this year, and Satellite Communications Corp. owners will be most anxious for third time lucky. A new consortium, Satellite Japan Corp., is applying for a third domestic license, and it seems likely that this could be given, if nothing else, to ease U.S. pressure on the Japanese satellite manufacturing industry which has been developing the DBS satellites for NHK (SJC would purchase a U.S.-built satellite). However, the Japanese Ministry of Post and Telecommunications, together with the Ministry of Foreign Affairs, has for some time been exploring the idea of Japanese regional satellites, and it could be possible that new Japanese private satellites could be allowed to carry external services.

China has launched and is using three of its DFH-2 lightsats (four transponders each) with a fourth due for launch this spring. China has been developing its own 24 transponder DFH-3s, and launch of the first one has been put back until around 1993 or 1994. These will be C-band satellites, leaving the market open for other operators who can offer the Ku-band services that are being sought by the Ministry of Television.

India is well into the planning of the Insat 2 series, which will have increased Indian content and are still hybrid, 18 C-band and two S-band transponders as well as meteorological services. The first of the new series is due for launch in 1992; nonetheless, the setbacks of the first series will create a serious shortage of capacity for many years.

The rapidly developing satellite communications market is spurring a number of private organizations into considering their own satellites, regional as well as domestic. Recently Unicom Satellite Corp., a Delaware corporation owned mainly by Sat-Time Inc. in Colorado, announced that it had acquired McCaw Space Technologies' orbital slots at 70° and 170° East and announced plans for a four-satellite system using Fairchild FS-100 lightsats. Unicom is now negotiating with a number of potential Asian equity partners. Thailand recently awarded the long delayed Thai satellite franchise to Shinawatra Computer, a local media conglomerate with interests in computer networks, cellular phones, cable television (Thailand's first franchise) and VSATs (20 percent of Samart). However, the change of government in Thailand by military coup will probably delay the ThaiSat project again,

as some of the key government figures in the decision making process are under investigation.

Korea and Taiwan are each contemplating their own national satellites and Korea has started discussions with various satellite manufacturers and key industrial groups have teamed up with major players such as Hughes and Matra. Taiwan faces a problem with its own domestic satellite, since it is not officially recognized as a country by bodies such as the International Frequency Registration Board, and so has been discussing partnership arrangements with PacStar and others.

In the private sector, several Asian multi-national conglomerates with interests in media have been considering quietly private lightsats in the '90s. AsiaSat's successful venture in privately owned satellites will no doubt interest other competitors.

Asia has enormous requirements for new communications services and the potential to rapidly catch up with Europe and North America. There is no shortage of money in the private sector and regulations are rapidly changing. This decade should be a boom for satellite related business in Asia. ■

*T. J. Brewer has worked in satellite-related projects in Asia since 1983, first with his own company, Asia Pacific Satellite Systems, and then as marketing manager for AsiaSat. He recently has gone back into private business, offering consultant services in satellite communications in Asia.*

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### COMMENTS:

Below Jeffrey Manber's address, phone and fax:

Jeffrey Manber  
c/o Haight, Gardner, Poor & Havens  
1300 I Street, N.W.,  
Washington, D.C. 20005

Phone: 202-347-2414  
Home Phone: 703-329-8490  
Fax: 202-962-3885

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**Professional Experience**

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**Relevant Experience:** Since 1982 Mr. Manber has assisted companies, organizations and government organizations in the space industry. He has prepared market studies for investment banking units, advised corporations on strategic partnering, written hearings, articles and speeches, and worked with companies to reach international marketing agreements. Clients include NASA, U.S. Commerce Department, Globesat, Payload Systems, Inc., Lockheed Corporation, Houston Area Research Center (HARC) and KPMG Peat Marwick.

1991: **Project Director:** NASA's Office of Commercial Programs (OCP) Industry Review Groups for Commercial Earth Observation. Cooperative Research Project between the Space Foundation and Office of Commercial Programs. Program calls for creation of four industry review groups to stimulate commercial earth observation.

1991: **Business Development:** Assisted corporations (names available upon request) in various tasks.

1990: **Marketing Development:** Worked with regional industry to create new non-profit Space Business Roundtables in Maryland, Virginia, Kentucky and Germany.

1990: **Founder:** Space Business Archives, project to create a library of key documents on international space business community, located at the Center for Innovative Technology in Virginia.

1989: **Project Director:** Transportation Industry Review Group: Lead Space Foundation industry review group to review NASA regulations concerning space transportation regulations. Funded by Lockheed Corporation.

1988-1989: **Domestic Project Director** for Office of Space Commerce at U.S.



Department of Commerce. Worked with range of U.S. industry to provide voice for industry within federal government.

1986-1988: Business Development, Shearson Lehman; McLeod Young Weir. Wrote industry reports for brokerage house directed towards institutional investors. Wrote first financial report on commercial space activities; assisted in the creation of banking unit for high-tech/space companies. Assisted McLeod in entering investment banking relationship with American Rocket Corporation.

1982-1984: Publisher, *Space R&D Alert*, newsletter on commercial space activities.

Other Space Industry Activities: Have published over fifty articles on space industry, including those for *New York Times*, *Space News*, *Financial World* and the *Conference Board Magazine*. Have been quoted in the *New York Times*, *Wall St. Journal*, *Washington Post*, *Aviation Week* and *Los Angeles Times*. Appeared as a guest on CBS Morning News, PBS NOVA, CNN and the BBC to discuss space and trade issues. Have testified before both the U.S. Senate and House of Representatives on launch vehicle issues and budget issues.

