



TAIWAN TRANSPORTATION MACHINERY CORP.

9TH FLOOR, NO. 2, JEN-AI ROAD, SECTION 4,

TAIPEI, 10650, TAIWAN

TEL: (02) 702-9828

September 27, 1991

Mr. Clay T. Whitehead
Vice Chairman
ALPHA LYRACOM SPACE COMMUNICATIONS
1320 Old Chain Bridge Road
McLean, Virginia 22101
U. S. A.

Dear Mr. Whitehead:


I have forwarded your "Thank you" letter to Minister Chien and Mr. Wang respectively. By the way, their fax no. is the same as that of Dr. Chen, i.e., (02) 312-2476.

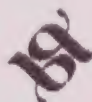
Regarding your PANAM's formal proposal we discussed in Taipei, please send it directly to DGT, instead of Ministry of Transportation and Communication.

It was nice to see you again and hope to see you soon again.

Best regards.

Sincerely yours,
Taiwan Transportation Machinery Corp.


R. T. Pang
President



ALPHA LYRACOM
SPACE COMMUNICATIONS

FACSIMILE MEMORANDUM

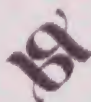
TO: Mr. J. J. Peng
FROM: Tom Carroux
FAX: (703) 255-0239
DATE: September 3, 1991
SUBJECT: Visit by Mssrs. Yang, Chang and Hsiah on Friday September 6, 1991.

Arrangements have been made for a car to pick up Mssrs. Yang, Chang and Hsiah on Friday morning 7:30 am at the Overseas Chinese Community Association, Inc. located at 42-97 Commelin Street, Flushing New York (718/359-7730). Arrival in Alpha Lyracom's offices located at One Pickwick Plaza (corner of Greenwich Avenue and Putnam Avenue) is expected at 9:00 am.

Mr. Ken Zwibek - Vice President and Ms. Karen Sanders - Marketing Manager of Satellite Transmission Systems (STS) are looking forward to meeting with the visitors from Taiwan in Happaug, New York. The car ride from Greenwich to Happaug is approximately 2 hours. STS has tentatively scheduled your arrival at 1:30 in the afternoon (11:30 departure from Greenwich). A car will bring Mssrs. Yang, Chang and Hsiah to STS from Alpha Lyracom.

Please call me if you have any questions.

cc: Mr. Tom Whitehead



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cc: Mr. Tom Whitehead

SATELLITE TRANSMISSION SYSTEMS
125 KENNEDY DRIVE
HAUPPANGE, NEW YORK

FACSIMILE COVER SHEET

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

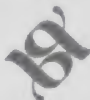
TO: Mr. Thomas Carroux
COMPANY: Alpha Lyracom Space Communications, Inc.
FAX #: 1-203-622-9163
DATE: August 27, 1991 TIME: 2:43 pm

FROM: Clay T. Whitehead

Pages following this cover sheet: 4 pages.

COMMENTS:

Call when you receive this.



ALPHA LYRACOM
SPACE COMMUNICATIONS

Clay T. Whitehead
Vice Chairman

1320 Old Chain Bridge Road
McLean, Virginia 22101
Phone: (703) 847-8787
Fax: (703) 847-8804

August 15, 1991

VIA FACSMILIE 011-8862-351-9514

Mr. Joseph Li-Jen Yang
Associate Engineer,
Technical Department
Directorate General of Telecommunications
31, Ai Kuo E. Rd.
Taipei 10605
TAIWAN R.O.C.

Dear Mr. Yang:

I understand that you may be in the United States during the first part of September. We would very much like to invite you to pay a visit to our headquarters in Greenwich, Connecticut, on Friday, September 6, if that would be convenient with you.

Please let me know if this suits your schedule and if we can help arrange transportation. I look forward to seeing you again.

Sincerely,

STRATHEORE WRITING
252007-75 FIBER-USA



DIRECTORATE GENERAL
OF TELECOMMUNICATIONS

F A C S I M I L E M E S S A G E

NUMBER OF PAGES IN TRANSMISSION INCLUDING THIS COVER: 2

TO: ALHPA LYRACOM

ATTN : Mr. Clay T. Whitehead, Vice Chairman

FAX NO. : 703-847-8804

PHONE NO. : _____

FROM : Joseph Li-Jen Yang

電信總局技術處

D.G.T. TECHNICAL DEPARTMENT

FAX NO. : 02-351-9514

PHONE NO. : 02-344-3992

DELIVER DATE: August 21, 1991

REP. NO. : _____

SUBJECT MESSAGE:

Via fax 703-8478804
Mr. Clay T. Whitehead
Vice Chairman
ALPHA LYRACOM
1320 Old Chain Bridge Road
McLean, Virginia 22101
U. S. A.

August 21, 1991

Dear Mr. Whitehead:

Thank you for your fax message of August 16, 1991. I am very appreciated for your invite to visit PAN American Satellite's headquarters in Greenwich, Connecticut on September 6.

Messrs. Ching-Chang Chang, Johnson Chen-Hsiang Hsieh and I will arrive JFK international airport by China Airlines CI012 at 9:00 pm September 5, 1991. My friend will pick up us in JFK international airport. I've already asked my friend to reserve hotel for us. I will inform you the hotel address, room number and phone number via fax. (May be the hotel will locate in Flushing or Queens of New York) Would you please arrange transportation for us to visit the headquarters of PAN American Satellite on September 6. If possible, would you please arrange us to visit Satellite Transmission System Inc. (STS) at same day or the next day. Because we use some STS' equipment in our DOMSAT system. The address of STS is:

125 Kennedy Drive
Hauppauge, New York 11788
Tel No.: 516-231-1919
TWX : 510-227-9895
Fax : 516-231-1896

Walter Sharp

The following topics are interesting if we can visit STS:

- (1). STS' Self-Contained Antenna-Mounted Package (SCAMP) Digital Earth Station in Ku band.
- (2). Transportable Satellite News Gathering (SNG).
- (3). Common carrier satellite communications transmit/receive earth station.

We will go to Princeton, New Jersey to attend GE Astro Space' satellite training course in the afternoon of September 8. Would you please help us to arrange transportation to go to Princeton, your assistant will be highly appreciated.

With best regards,

Sincerely yours,

Joseph Li-Jen Yang

Joseph Li-Jen Yang
Associate engineer, DGT



**DIRECTORATE GENERAL
OF TELECOMMUNICATIONS**

Via fax 703-8478804
Mr. Clay T. Whitehead
Vice Chairman
ALPHA LYRACOM
1320 Old Chain Bridge Road
McLean, Virginia 22101
U. S. A.

Technical Dep. DGT
No.31 Ai-Kuo E. Road
Taipei, Taiwan
Republic of China
Telephone: 886-2-344-3990
Fax: 886-2-351-9514

August 26, 1991

Dear Mr. Whitehead:

I hope you have already received my fax dated on August 21, 1991. I am very glad to tell you that our hotel in New York was already reserved by my friend. The name and address are listing as the following:

Overseas Chinese Community Association Inc.,
42-97 Crommelin St.
Flushing NY 11355
Phone No. 718-359-7730

We will arrive JFK international airport by China Airlines CI012 at 9:00 p.m. September 5, 1991. My friend will pick up us in JFK international airport. In hotel, we can wait your person to pick up us at 7:00 a.m. September 6, 1991. Please give me your person's name and phone No. who I can contact in New York.

If you have difficulty to arrange us to visit STS(Satellite Transmission System), please contact to Dr. Chong K. Ong, he is a Senior Program Manager of SATCOM Business Center of HNS (Hughes Network System), he is also a coordinator for our schedule arrangement. His phone No. is 301-428-5772, fax No. is 301-428-2817. We hope that we can visit PAN American Satellite Headquarters and STS on September 6 and/or 7 or vice versa.

Your assistant and early response will be highly appreciated.

With best regards,

Sincerely yours,

Joseph Li - Jen Yang

Joseph Li-Jen Yang
Associate engineer, DGT

cc: Dr. Chong K. Ong, HNS (Via fax 301-428-2817)

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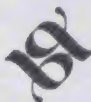
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Associate engineer, DGT

cc: Dr. Chong K. Ong, HNS (Via fax 301-428-2817)



ALPHA LYRACOM
SPACE COMMUNICATIONS

January 23, 1991

VIA FACSIMILE

Prof. Dr. W. H. Chen
Deputy Director
Office of Science & Technology Advisors
Ministry of Communications
No. 2, Chang-Sha Street, Section 1
Taipei 1001
TAIWAN, ROC

Dear Dr. Chen:

In my letter of January 15, 1991, I said that Mr. Landman and I had tentatively scheduled our visit to Taipei on January 31st, and February 1st. Unfortunately we have had to adjust our schedule and now intend to be in Taipei on January 28th and 29th. We would greatly appreciate your kind assistance in facilitating this change. We apologize for any inconvenience the change might cause you or your colleagues.

Upon our arrival in Taipei on January 27th, we will stay at the Sherwood Hotel (02-718-1188).

Thank you for your kind assistance in this matter.

Sincerely,

Clay T. Whitehead
Senior Advisor

COVER SHEET

DATE: Jan. 14, 1991

TO: Mr. Clay T. Whitehead

FAX NUMBER: (703) 847-8804

FROM: J. J. Peng

FAX NUMBER: (703) 255-0239 255-018

Header sheet plus 2 page(s)

CONTENTS/MESSAGES

Dear Mr. Whitehead:

Since there are only 4 minor suggested corrections, I hope you don't mind that I fax back to you the original copy with the suggested correction marks.

We would like to suggest that you send this letter by fax, and followed by Federal Express, or DHL.

Dr. Chen's fax no: (886)-2-311-9669.

Please let me know if you have any questions

ALPHA LYRACOM
SPACE COMMUNICATIONS

January 11, 1991

Prof. Dr. W. H. Chen
Deputy Director
Office of Science & Technology Advisors
Ministry of Communications
No. 2, Chang-Sha Street, Section 1
Taipei 1001
TAIWAN, ROC

Dear Dr. Chen:

Alpha Lyracom Space Communications, the operator of Pan American Satellite ("PAS"), the world's first privately owned international communications satellite system would like the opportunity to introduce our company and offer our services to your country.

PAS presently provides international satellite telecommunications services connecting the U.S. with Europe and Latin America through its first satellite, PAS-1, located over the Atlantic Ocean. PAS provides voice, data and video services to PTT's and other carriers and directly to customers, providing anything from raw space segment to full end-to-end circuits. It also leases full transponders to PTT's that in turn use the transponders as the space segment for their domestic or regional satellite systems.

After only two years, PAS-1 is almost fully committed. The company plans to launch a second satellite to serve the Atlantic Ocean region and a third satellite to serve the Pacific Ocean region, both in 1993. PAS plans to launch a satellite to serve the Indian Ocean region at a later time. Thus, PAS will be the first private global satellite telecommunications company and the first global competitor to Intelsat.

PAS is a U.S. corporation and receives orbit positions for its satellites from the U.S. Federal Communications Commission. It has requested positions at 192° and 194° West Longitude for service to the Pacific and East Asia. We anticipate that the Pacific satellites will offer the same wide mix of voice, data, video and transponder-leasing services as currently offered in the Atlantic. In addition, there will be a heavy focus on VSAT networks and provision of a "hot bird" for regional distribution of TV programming much like the Astra satellite in Europe. The company currently is seeking investment partners for the planned

→ Spell out PTT

POST, TELEPHONE and TELEGRAPH (PTT's)

authorization ✓

③ (add) 400097

ROC government

expansion and is having discussions regarding potential business operating relationships.

PAS is very much interested in serving Taiwan and in cooperation with the Ministry of Communications. This could include international links from Taiwan to the U.S. and throughout East Asia and the Pacific. It also could include provision of transponder capacity for Taiwan for its domestic use.

My company represents PAS on these matters, and I will be visiting Taipei later this month with Mr. Fred Landman who is the President of PAS. Our visit is scheduled tentatively for January 31 and February 1. If it would be convenient, we would greatly appreciate the opportunity to meet with you and with your kind assistance to meet the following gentlemen and agencies:

- Mr. C. P. Chang, Minister of Communications
- Dr. Chow, Director of Office Science and Technology Advisors
- Directorate General of Telecommunications
- National Science Council

We also would like to make a small technical presentation to ITDC to describe more fully our plans and to understand better how we can best serve Taiwan.

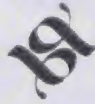
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Clay T. Whitehead

④

→ don't use ITDC
Change it to read as follows: ⇒

↓ the concerned party within the Ministry of Communications (MOC).



ALPHA LYRACOM
SPACE COMMUNICATIONS

January 23, 1991

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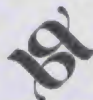
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We would appreciate very much if meetings could be arranged for the January 28th and 29th, 1991.

Thank you for your assistance again and I hope the short notice of the schedule change does not inconvenience you.

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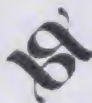
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PAS presently provides international satellite telecommunications services connecting the U.S. with Europe and Latin America through its first satellite, PAS-1, located over the Atlantic Ocean. PAS provides voice, data and video services to POST, TELEPHONE and TELEGRAPH (PTT) carriers, other carriers and directly to customers, providing anything from raw space segment to full end-to-end circuits. It also leases full transponders to PTT's that in turn use the transponders as the space segment for their domestic or regional satellite systems.

After only two years, PAS-1 is almost fully committed. The company plans to launch a second satellite to serve the Atlantic Ocean region and a third satellite to serve the Pacific Ocean region, both in 1993. PAS plans to launch a satellite to serve the Indian Ocean region at a later time. Thus, PAS will be the first private global satellite telecommunications company and the first global competitor to Intelsat.

PAS is a U.S. corporation and receives orbit positions for its satellites from the U.S. Federal Communications Commission. It has requested positions at 192° and 194° West Longitude for service to the Pacific and East Asia. We anticipate that the Pacific satellites will offer the same wide mix of voice, data, video and transponder-leasing services as currently offered in the Atlantic. In addition, there will be a heavy focus on VSAT networks and provision of a "hot bird" for regional distribution of TV programming much like the Astra satellite in Europe. The company currently is seeking investment partners for the planned

expansion and is having discussions regarding potential business operating relationships.

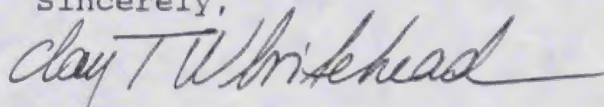
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My company represents PAS on these matters, and I will be visiting Taipei later this month with Mr. Fred Landman who is the President of PAS. Our visit is scheduled tentatively for January 31 and February 1. If it would be convenient, we would greatly appreciate the opportunity to meet with you and with your kind assistance to meet the following gentlemen and agencies:

- Mr. C. P. Chang, Minister of Communications
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COVER SHEET

DATE: Jan. 14, 1991TO: Mr. Clay T. WhiteheadFAX NUMBER: (703) 847-8804FROM: J. J. PengFAX NUMBER: (703) 255-0239255-0180Header sheet plus 2 page(s)CONTENTS/MESSAGES

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cc. Roger Robinson

Best regards. J. J. Peng

JAN 11 1991 19:42 JAN-14-'91 18:12 T- T T M C 02-7055211 #622-02

PAGE 02

139 -01-11 18:38

1408097 02



ALPHA LYRACOM
SPACE COMMUNICATIONS

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Spell out PTT

01/11/91 19:42 JAN 13 1991 10:13 T- T F M C 02-7055211 #622-03

PAGE 03

1991-01-11 18131

(3) (add) 400097

03

ROC government

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(4)

don't use ITDC
Change it to read as follows: =>

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Taiwan

Meeting Summary
Institute for Information Industry
Date: 1/29/91

It was suggested by Mr. Chou that advise from the following personality and organizations should be sought:

- Mr. Kuo Nan Hung 郭南宏, Minister Without Portfolio and former Minister of Communications.
- Mr, Chou Sheng Tsi 周勝次, Director of the Office of Science & Technology Advisors of the Ministry of Communications 交通部科技顧問室
- Mr. Liu Shuai Jing 呂學錦, Director of the Telecommunications Lab of the Ministry of Communications 交通部電信研究所
- The Industrialized Technology Research Institute 工業技術研究院
- Computer and Communication Lab.
- TTNS
- The Satellite Task Force within the National Science Council which composes of Mr. Liu Jau Han 劉肇漢, Mr. Chang Chung Mo 張忠模 and three other officials and experts.

Satellite dishes: Temporary licences for banks

By Lynette Ong

IN A surprise move, the government has granted temporary licences to all banks and financial institutions to operate satellite dishes with immediate effect.

Singaporean television viewers may also benefit as banks may soon also sponsor live news broadcasts of Cable News Network (CNN) over Channel 12.

Giving the rationale for the new moves, the Ministry of Information and the Arts (Mita) said in a statement yesterday that with the war in the Gulf, "timely access to information is essential especially for forex and futures trading".

The satellite dishes, called television receive-only (TVRO) dishes, will enable the banks and financial institutions here to receive instantaneous news broadcasts on developments in the Gulf.

Mita said the move followed requests by members of the financial community for the satellite dishes. The requests were supported by the Monetary Authority of Singapore.

Up to now, the government has banned the use and sale of satellite dishes in Singapore, arguing that unrestricted access to foreign programmes would be detrimental to national interests.

In yesterday's statement, Mita also said that MAS "as a specific service to the financial community" had also approached local and foreign banks to sponsor the American-based CNN news broadcasts over Channel 12 from 7.30 am to 7.30 pm on weekdays.

"We hope this can be done as soon as possible," said Mita, without giving more details.

Banking sources told The Sunday Times that an initial group of about eight banks, including the Big Four local banks — DBS Bank, Overseas Union Bank, United Overseas Bank and OCBC Bank — are understood to have expressed interest in acting as sponsors for CNN broadcasts.

Others could possibly include Keppel Bank, Tat Lee Bank and the Singapore International Monetary Exchange, they added.



Singapore Press Holdings
Singapore Press Holdings Limited
News Centre
82 Genting Lane Singapore 1334
Tel: 7438800 Telex: RS 55148 SPHND
Fax: 7449949

February 11, 1991

Mr Frederick A Landman
President
Alpha Lyracon Space Communications
Pan American Satellite
One Pickwick Plaza
Greenwich, Connecticut 06830
U.S.A.
(FAX NO: 005-1-203-622-9163)

Dear *Fred,*

I enclose a report in the temporary use of satellite
dishes, for your information.

It marks significant progress and is indicative of the
trend for the future.

Regards.

Yours sincerely,

Denis

Denis Tay

DT/jw

Enc

Post-It™ brand fax transmittal memo 7671 # of pages 2

To <i>TOM WHITEHEAD</i>	From <i>FRED LANDMAN</i>
Co.	Co.
Dept.	Phone #
Fax # <i>703-897-8809</i>	Fax #

01/10/91 11:43

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2024663079

03

JAN-10-'91 14:12 T- T T M C 02-7055311 #SPJ-02

Attention: Prof. ^d Dr. W. H. Chen
Deputy Director
Office of Science and Technology Advisors
Ministry of Communications

Address: No.2, Chang-Sha Street, Section 1,
Taipei, Taiwan, 10001

Fax No.: (02)311-9669

-- Persons and Agency to visit:

Ministry of Communications (MOC)

- 1) Minister: C. P. Chang
- 2) Office of Science and Technology Advisors
Director: Dr. Chow
Deputy Director: Dr. W. H. Chen
- 3) Directorate General of Telecommunication

4) National Science Council ~~-----~~

- The letter also includes brief on PanAm Sat, satellite route to be used to cover Taiwan
- Request to have a small-size presentation to ITDC



臺灣銀行

外匯水單(1) EMR No 230711

BANK OF TAIWAN
FOREIGN EXCHANGE MEMO

Date

9/0/27

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a. Customs' foreign currency certificate,
b. Exchange receipts issued by the authorized foreign exchange agents; and
c. Your passport.
II. If your stay has exceeded 6 months, the maximum amount of dollars you may buy is US\$1,000.00 against the same documents under I.

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R-1121

購自

姓名 Name
身分證號碼 Identification Paper No.

支票或現鈔號碼 Bill No.	外幣數目 Foreign Currency Amount	匯率 Rate	新臺幣數目 N. T. \$ Equivalent
D1764227A	USD 50	26.27	NTD 1312
	應扣費用 Charges		
	實付金額 Net Amount Payable		NTD 1312

CLAY T. WHITEHEAD

賣主簽章

Seller's Signature

[Handwritten Signature]

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Business Day

The New York Times

MONDAY, NOVEMBER 26, 1990



Sheryl WuDunn/The New York Times

Chi C. Hsieh, left, the president of Microelectronics Technology Inc., demonstrating the use of a suitcase-sized portable satellite communications system at the company's headquarters in Taiwan.

Taiwan Aims for High-Tech Niches

By SHERYL WUDUNN

Special to The New York Times

HSINCHU, Taiwan — In the glass and steel buildings beyond the green lawns of this science park, Taiwan is trying to stage a new industrial revolution.

Instead of toys, companies here are making personal computers. Instead of electronic gadgets, they are making satellite receivers. Taiwan is trying to abandon the low-technology products that made it rich to develop high-technology niches that will enable it to compete with American and Japanese companies.

The Government's science park is leading the movement. It has brought

back 600 Taiwan-born American-trained scientists and engineers, reversing a brain drain over the last two decades that saw Taiwan's best and brightest beat a path to America, work their way through graduate schools and then find jobs as engineers at electronics companies in Silicon Valley in California and along Route 128 in Massachusetts.

Now, the Government is trying to use these experts to replace the country's copycat strategy with one based on innovation, and while critics say progress is slow, 107 companies already are operating at the science park, and there is little space left.

Taiwan has been able to advance its expertise in computers. It now has a sizable share — 20 percent by some

counts — of the world personal computer market. While it still buys the basic chip from the Intel Corporation, Taiwanese companies can build almost everything else. Its largest personal computer maker, Acer Inc., is expanding rapidly and had sales of \$480 million last year.

Even so, establishing a high-technology base is a process that requires patience in a country where little is spent on basic research and development, which can lead to the biggest breakthroughs. And scientists have not always been eager to give up their high salaries and easy way of life in America to return home.

For Taiwan, the change in strategy

Continued on Page D7

Taiwanese Trying to Shift to High-Tech Niches

Continued From First Business Page

is a matter of survival. For two decades, the country has relied on its cheap labor to reproduce low-technology electronic products like toys and computer keyboards, accurately and swiftly. But with labor costs rising as its economy matures, Taiwan, like many rapidly developing Asian countries, is seeing its traditional markets eroded by countries with cheaper labor like China. It is being forced to move into more sophisticated frontiers to survive.

"A couple of years ago, Taiwan found a niche in low-end products like monitors, but now, with rising wages, these niches have vanished," said Benjamin H. W. Chen, an analyst at Baring Research (Taiwan) Ltd. "The new niche will be at the medium-tech level, like telecommunications products."

Taiwan has hundreds of small concerns that are moving into the world of technology. It makes about 30 percent of all traditional computer monitors used in the world, more than the share made in the United States.

Silicon Valley a Model

But Taiwan still has no company that even approaches the global might of the International Business Machines Corporation or Fujitsu Ltd., one reason that the Government created the science park. Using Silicon Valley as a model, the park hopes to "provide the infrastructure, the manpower" and "an atmosphere" for closet entrepreneurs who will help create one or two flagship companies that will become household names around the world.

"I don't think we can ever be on top but we'd be proud to be second or third," said H. Steve Hsieh, director general of the Science Park Administration, who returned to Taiwan in 1982 after 13 years in America.

The park has stiff guidelines including a requirement that its tenants spend 5 percent of their revenues on research and development. "Nothing here is at the forefront of research and development, but at least the direction is right," said Sydney Merritt, an adviser to the United Microelectronics Corporation, a company in the park that is one of Taiwan's largest makers of integrated circuits.

Tax Breaks and Loans

Companies in the park also receive a variety of tax incentives and low-interest loans. The park promotes exchanges with two nearby universities. The Industrial Technology Research Institute, which is affiliated with the park, is mapping out strategies for industrial development and is trying to start ventures in new fields like aerospace.



Sheryl WuDunn/The New York Times

"We think about endurance, loyalty and how someone develops," said C. K. Liu, president of Tecom, a maker of phone systems, in discussing management styles in Taiwan, which are different from American ones.

Yet critics say that Taiwan's attempt to create its own version of Silicon Valley at the science park is progressing slowly. Park planners hope that by 1996 its companies will generate a total of \$8 billion in annual revenues and devote \$600 million a year to research and development.

This is an ambitious target, considering that at the end of last year, the companies in the park brought in \$2 billion in revenues and invested only \$70 million in research.

The park could also have trouble attracting investment because of slower economic growth expected by Taiwan for the next couple of years and the collapse of the stock market here. The majority of investment in the park comes from Taiwan companies and individuals.

Difficult Supply Situation

Although conditions at the park have improved considerably, they still are not on a par with Silicon Valley. When Matthew F. C. Miao, chairman of the Mitac Computers Group, returned to Taiwan from Silicon Valley in 1976, he could not find the plastic he needed to make disks for his personal computers and a machine shop to grind the materials to make

the disk drives. After working for Intel for five years helping to develop the first generation of microprocessors, he was used to having suppliers at his doorstep.

These days, logistical constraints in the science park still make it difficult for companies to expand. "In Silicon Valley, it is so easy to lease things," said Mr. Miao, who has had to fight to bring a gas supplier into the park because the company does not qualify as a high-technology one. Such support systems are essential, he said.

Most Taiwanese-Americans return because of the career prospects, the opportunity to be their own bosses or to play out their entrepreneurial dreams. They often return with American passports, and because of Taiwan's rapid economic development, many say the quality of the Taiwanese way of life makes returning home appealing.

But Taiwan companies cannot always offer scientists and engineers the same salaries they get in America. Taiwan's engineers still earn only a third to one-half the comparable wage in the United States. Management styles in Taiwan are also different.

"We think about endurance, loyalty and how someone develops," said C. K. Liu, president of the Teco Company, which makes sophisticated telephone systems in the science park. "People work more like family because people here are less sophisticated."

Gaining a Vital Base

But slowly, the park is gaining a vital base. Among the companies here is Microelectronics Technology Inc. In 1983, Chi C. Hsieh, the company's president, and seven of his colleagues from the communications field left Silicon Valley and returned to Taiwan to develop microwave technology. The company, with 60 employees, had sales of \$48 million last year.

It manufactures suitcase-size satellite communications systems that allow people to place telephone calls from the middle of nowhere. Microelectronics says that one of its systems, which is tailored for ships, was used during the summit meeting in Malta in December between President Bush and President Mikhail Gorbachev.

The company has been making one of its portable satellite communications systems each month. But it is now benefiting from the Middle East crisis: it has doubled production and sold more than a dozen to business executives and officials who want to use them in the region.

"Before we developed this microwave industry, they all were doing lower-tech TV's and other consumer products," said Mr. Hsieh, who spent 17 years in America, at graduate school and at the Harris Corporation.

\$260 Million Plant Completed

United Microelectronics says that at the moment it is equipped with the world's most precise manufacturing capability in its field. It has just completed a \$260 million plant, its second, which it says will eventually be able to build integrated circuits with a degree of precision as thin as 0.65 microns, or a tiny fraction of the width of a human hair.

While Taiwanese companies have traditionally been too small to acquire American corporations, in February, Mitac purchased Wyse Technology Inc, an American maker of computer terminals, taking it private in a \$270 million transaction.

While it is not as large as Acorn Mitac, with \$346 million in sales last year, is one of Taiwan's largest makers of personal computers. The purchase might have been the first in a wave of acquisitions by Taiwan companies if not for the plunge in the Taiwan stock market, a major source of money for large companies here.



Chong-Pin Lin Ph.D.



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MA • Geology

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美國企業研究所兼任學者

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洛杉磯加大企管碩士
保齡崗嶺大學地質碩士

Evergreen Shipping

Mr. Chang

diversifying eg airbus

Bruce Dan

Mr. Ku (or Koo) Chen Fu wealthy, big family.

→ Nat Sci Fundn (govt)

Peter Kuo Prof Bus in Taiwan

Dr. Jerry Liang Goodyear.

Dr. Steve Chien CCNA dog hop.

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李 河 清

Ho-Ching Lee Liu
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PRESIDENT
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Peter C. Kuo
PRESIDENT

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FAX: 701-2022

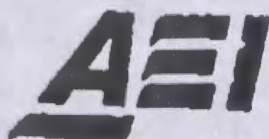
Dr. Stephen S. F. Chen

Deputy Representative
Coordination Council for North American Affairs
Office in U.S.A.

4201 Wisconsin Ave., N.W.
Washington, D.C. 20016

Tel. (202) 225-1800

American Enterprise Institute for Public Policy Research



Fax number: (202) 862-7178

Transmission Memorandum

Telecopy to the following number: 703-847-8804

The following document is for:

Name: Mr. Clay T. Whitehead
Firm: _____

The document is from:

Name: Dr. Cheng-Pin Lin
Phone number: 202-862-5805

This transmission memorandum plus 1 pages

Date: Nov. 2, 1990. Time: _____

Note:

DEC-11-'90 19109 T- T T H C 02-705211 #476-02

Taiwan

TAIWAN TRANSPORTATION MACHINERY CORP.
9TH FLOOR, NO. 2, JEN-AI ROAD, SECTION 4,
TAIPEI, 10050, TAIWAN
TEL: (02) 702-9028

December 11, 1990

Mr. Roger Robinson
Washington D.C.
USA

Dear Mr. Robinson:

I have had an opportunity to meet with Dr. Chen and here are my findings on Pacstar's MOU with ITDC.

After long and complex negotiations lasting 3 years, an MOU was finally signed between Pacstar and ITDC. Acting as a nominal entity of the Ministry of Communications, ITDC successfully negotiated a strong set of terms for the understanding.

As you may already know, the PTC of Papua New Guinea was unable to fund an entire satellite project and therefore authorized Pacstar to secure subscribers for the satellite orbit in which they own. Following authorization, Pacstar approached the Ministry of Communications in Taiwan about buying into the project and after three years of difficult negotiation, Pacstar finally agreed to the following terms set forth by ITDC.

ITDC has agreed to purchase 40 transponder years worth of time on the satellite (4 transponders x 10 years) in return for 30% equity in the venture. Through negotiation, ITDC was able to obtain special privileges and additional rights. Despite having only 30% equity, ITDC will have the power to veto certain important policy decisions made by the group. Furthermore, TTCMM equipment will be purchased by the new venture and installed in Taiwan. In addition to this, ITDC will receive very favorable payment terms for their transponders.

All of the terms and conditions listed above are part of the signed MOU and not a legal and binding contract. The MOU, which began in November '90, will expire after six months. After May 1991, a new understanding could be established between PanAMSat and ITDC, subject to mutually agreed conditions.

In the meantime, ITDC is morally obligated to follow the MOU, and therefore feels it would not proper to sign an equal MOU with PanAMSat at this time. They would however, welcome a visit and presentation by PanAMSat and would be willing to sign a similar MOU with PanAMSat in the event that Pacstar can not materialize their project by May 1991, as per the MOU.

TELEX NO.: 22379 TTMACHIN

FAX NO.: (02) 706-5211

CABLE: TTMACHIN, TAIPEI

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RTMC

PAGE 03

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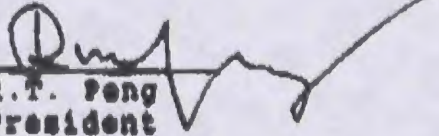
TTMC

PAGE 2

Subsequently, I feel the best strategy at this point is to have Mr. Whitehead visit Taiwan to offer a professional presentation and set up a close business relationship with ITDC.

I trust you will find this information useful in deciding which course of action to take.

Best regards,


R.T. Peng
President

cc. Mr. J.J. Peng
Mr. T.S. Chiu

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TAIWAN TRANSPORTATION MACHINERY CORP.
9TH FLOOR, NO. 2, JEN-AI ROAD, SECTION 4,
TAIPEI, 10650, TAIWAN
TEL: (02) 703-0028

December 11, 1990

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Washington D.C.
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TELEX NO.: 23279 TTMACHIN

FAX NO.: (02) 705-5211

CABLE: TTMACHIN, TAIPEI

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RTMC

PAGE 03

DEC-11-'90 19:10 T- T T M C 02-7055211 8478-03

TTMC

PAGE 2

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R.T. Peng
President

cc. Mr. J.J. Peng
Mr. T.S. Chiu

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91

FACSIMILE COVER SHEET

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

TO: ✓ Fred Landman

COMPANY: PanAmSat

FAX #: 1-203-622-9163

DATE: June 14th, 1993 TIME: ~~6:06~~ pm

FROM: Clay T. Whitehead

Pages following this cover sheet: 2 pages.

COMMENTS:

FYI, as discussed.

Taipei May Become A Global Center for
Worldwide Chinese TV Program

Director Hu: The News Bureau Will Assist Enterprises To Obtain
Satellite Transponders And The Broadcast Range
Will Include Mainland China

Mr. Hu, the News Bureau Director of the Executive Yuan, made the above announcement yesterday and also revealed that the News Bureau had completed its evaluation and expected that the necessary preparations could be completed in as little as one year, or three to five years at the longest.

Mr. Hu emphasized that if necessary the government could allocate its budget to support three TV networks and a Public Broadcasting Station (PBS) to secure the transponder. Because Mainland China has been very active in this field already, we cannot afford to fall behind. Mr. Hu has expressed his wishes to them and would like to coordinate their efforts to integrate together.

Mr. Hu indicated that they had inquired to Asia Satellite No. 1 for the rental of a transponder. However, this request was rejected because Taiwan wanted to include news programs in the broadcast. It is obvious that Taiwan could not fully use the transponder because it had investment from Mainland China.

According to the evaluation of the News Bureau, there will be an increasing number of satellites in the sky over East Asia in the next three to five years. This could lead to an oversupply phenomenon. It will be easier to secure a transponder at that time and Mr. Hu is sure that one can be secured within three to five years at the latest.

On the other hand, domestic enterprises have also been working to secure a transponder through other channels. Mr. Hu did not want to mention many details about these other channels in consideration of possible pressure from Mainland China. He only indicated that within one year our TV enterprises would be able obtain a transponder and begin making program broadcasting to the East Asian area 24 hours each day.

The range of broadcasting from this transponder will include part of the inland Mainland area. According to a private estimate, there are about ten million viewers in the coastal area who have installed converters to receive Taiwan's current three networks. The addition of the transponder, with its increased range, will cover most of East Asia so that many Overseas Chinese will be able to receive our TV programs.

Mr. Hu indicated that there would not only be hard news broadcast from the transponder. There would also be other things such entertainment shows, drama, and movies. He is confident that even though the domestic TV programs have been frequently subjected to criticism, they are nonetheless very popular among overseas Chinese. Mr. Hu believes that the quality of Taiwan programming has been positively reviewed by the overseas Chinese and he hopes to attract other overseas Chinese worldwide to watch our programs based on their quality standards.



FACSIMILE (TELECOPIER) SYSTEM

COVER SHEET

DATE June 4, 1993

TO: NAME: Mr. Clay T. Whitcomb

FAX NUMBER: 703-541-8814

COUNTRY: USA

FROM: NAME: J. P. Hertz

FAX NUMBER: 1 212 512 2200

NUMBER OF PAGES: 1 (including this page)

MESSAGE:

Dear Mr. Whitcomb:

Call from Taipei, Taiwan.

Attached is a recent news report that you may be interested to read.

Mr. C. T. regrets that he is out of country this week. He is an emergency business matter while Grand is in Taipei attending a meeting.

Best regards

J. P.

Taipei May Become A Global Center For
Worldwide Chinese TV Program

Director Hu: The News Bureau Will Assist Enterprises To Obtain
Satellite Transponders And The Broadcast Range
Will Include Mainland China

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Clay Whitehead Associates

1320 Old Chain Bridge Road, McLean, Virginia 22101 Phone 703-847-8787 Fax 703-847-8804

FACSIMILE MEMORANDUM

To: ✓ Mr. Roger W. Robinson

Fax: 1-202-466-3079

From: Clay T. Whitehead *T*

Date: March 18, 1993

Subject: PanAmSat

I have asked Gregg Daffner of PanAmSat to be in touch with you regarding the possible offering of pre-launch commitments for transponder capacity to selected organizations in Taiwan. He will be in a position to talk with you about prices and commission arrangements. Let me know if I can help at any point.

cc: ✓ Mr. Gregg Daffner

RWR Inc.
 Suite 875
 1250 24th St. NW
 Washington, D.C.
 Tel: (202) 223-8034
 Fax: (202) 466-0588

DATE: 5/4 TIME: 5:20	NUMBER OF PAGES: 2 + cover
TO: Tom Whitehead COMPANY: The Clay Whitehead Assoc.	FROM: ROGER W. ROBINSON, JR PRESIDENT
FAX NUMBER: 903-847-8804 PHONE NUMBER:	

COMMENTS:

Tom: Many thanks for your "off-line" assist on the technical issues. To my surprise, Bill Clark told me this afternoon that he was willing to become visibly and substantially involved in this undertaking & (including mobilization of his contact base) we had mentioned a 5% sales commission and 5% monthly return for at least the first six months (2 months reviewed on-site) to take this on

on a stream line, including arranging Gregg's visit in early June, with you as his support. Best wishes, Roger

IF YOU DO NOT RECEIVE ALL PAGES OF THIS TRANSMISSION,
 OR HAVE RECEIVED THIS TRANSMISSION IN ERROR,
 PLEASE CALL (202) 223-8034

RWR INC.
SUITE 900
1250 24TH STREET, N.W.
WASHINGTON, D.C. 20037

ROGER W. ROBINSON, JR.
PRESIDENT

TELEPHONE
(202) 338-1034

May 4, 1993

Mr. Gregg Daffner
Vice President
Marketing Development and Regulatory Affairs
PanAmSat
One Pickwick Plaza
Greenwich, Connecticut 06830

Dear Gregg:

As per our luncheon meeting of 26 April, I wish to discuss briefly the services which RWR, Inc., in conjunction with Taiwan Transportation Machinery Corp., would envision offering PanAmSat in the Republic of China.

Our past efforts on behalf of PanAmSat over a twelve month period beginning in April 1991 were beneficial in both removing the PacStar challenge in that market and educating senior ROC officials, as well as working levels, concerning the merits of subscribing to your company's Asian satellite. We are confident of our ability to build on that progress -- despite an extensive ROC government shake-up during the intervening period -- to secure the participation of tenets willing to make transponder lease commitments prior to launch.

We are particularly enthusiastic about the prospect of obtaining transponder lease commitments for the China beam. By pointing out to political levels in Taipei the consequences of missing the opportunity to gain access to channels on that beam, we believe it likely that at least one or two transponder lease commitments can be achieved. Fortunately, this exceptional opportunity comes at a time of sharply expanded exchanges between the ROC and PRC in virtually every field, not to mention the massive proliferation of satellite dishes on the mainland.

We would likewise seek to garner close relations with the management of cable systems throughout Taiwan which, under the pending cable television law, will be divided into some 57 districts. Such relationships could make PanAmSat more attractive to programmers.

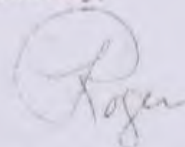
- 2 -

In sum, our colleague R.T.Peng and his associates in Taipei can both effectively coordinate PanAmSat's executive visits to the ROC and market transponder capacity to key programmers, highlighting the political as well as commercial advantages of early action. As in the past, we would work closely with our PanAmSat counterparts to structure the most compelling marketing strategy and seek approval for any and all in-country initiatives, including those relevant to the PRC market. We have communicated to you what we believe to be sensible terms and conditions for this renewed business association.

Gregg, we were most impressed by the uniqueness of PanAmSat's technical capabilities to service a broad range of requirements in Taiwan, Asia and, indeed, the world. It would be a great pleasure to join forces with your fine company once again to penetrate these markets in a meaningful and profitable way.

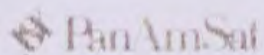
With best personal regards,

Sincerely,

A handwritten signature in cursive script, appearing to read "Roger", enclosed within a circular scribble.

cc: Mr. R.T. Peng, President, TTMC

31-PS



MEMORANDUM

TO: Tom Whitehead
703/847-8804

FR: Gregg Daffner

DT: March 17, 1993

RE: Taiwan Transportation Machinery Corp. / Roger W. Robinson

The Agreement we signed in January 1991 called for a commission of 0.75% for transponder sales/leases and a success fee of 0.75% for investments found. Fred notes that our pre-launch bulk rate anchor tenant transponder prices were set without contemplation of a commission being paid. Perhaps the sales price should be adjusted (up) to factor in a finders fee. What do you think?

(vi) Perform such other services as shall be mutually agreed to between Consultant and the Company with a view to facilitating the operations of the Company in Taiwan; and

(vii) Report to the President of the Company, or such other officer or representative of the Company as the President may designate.

2. Term.

This Agreement shall remain in full force and effect for a period of six (6) months from the date set forth above, unless terminated as provided in this Section. If either of the following termination events (the "Termination Events") occurs during the initial six-month term, this Agreement shall immediately terminate and an adjustment shall be made in the compensation hereunder in the manner specified in Section 3(a): (a) the government of Taiwan renews or extends its relationship with the PacStar satellite system (which renewal or extension, the parties hereby acknowledge, the government of Taiwan is expected to agree to or reject on or before May 1, 1991), or (b) it becomes impossible for Company to secure the requisite authority from the Taiwanese government for Company to operate its satellite business in Taiwan. After the initial six-month term, this Agreement shall continue from month to month, except that either Company or the Consultants may terminate this Agreement at any time, upon thirty (30) days' prior written notice to the other party (other than the provisions of Sections 3(a), 3(b) and 5, which shall survive any such termination of this Agreement, but in the case of Section 3(a) shall survive only for purposes of completing payment of the U.S.\$60,000 retainer, and in the case of Section 3(b) shall survive only for one year from the date of termination).

3. Compensation.

(a) As payment for the services rendered by the Consultants hereunder, the Company shall pay to the Consultants a retainer (the "Retainer"), in the amount of US\$50,000, which shall be payable at the rate of US\$5,000 per month for each of the first twelve (12) months of the term hereof; provided, however, that if a Termination Event occurs, then the Retainer shall be US\$30,000, payable at the rate of US\$5,000 per month for each of the first six (6) months of the term hereof. Each monthly installment of the Retainer shall be paid within ten (10) days following the Consultants' submission of an invoice for the monthly installment, which invoice may be sent by the Consultants not more than thirty (30) days prior to the end of each monthly period to which the Retainer is allocable.

(b) In addition, the following are compensable through the payment of a "Success Fee": any investments in the Company by persons or entities based in Taiwan, without regard to whether such investments are the result of Consultants' introduction or participation. Company and Consultants acknowledge and agree

that Company in its sole discretion shall have the right to accept or reject any investment in the Company offered by persons or entities based in Taiwan. The Company's obligation to pay the Success Fee shall survive the termination of this Agreement for a period of twelve (12) months (except that Company's obligation shall not survive terminations pursuant to Section 2 as a result of a Termination Event), subject to Section 4. The amount of said Success Fee shall be 0.75% of the investment received by the Company in such transaction. The Success Fee shall be payable in cash at the closing of such transaction.

(c) In addition, if the Consultants, on or before March 31, 1992, arrange the sale, or the lease for the satellite's life, of a transponder on Company's satellite system, a commission (the "Commission") of 0.75% of the transponder sale or lease price. The Commission shall be payable in cash at closing in the case of a transponder sale, and in cash as lease payments are received in the case of a transponder lease.

(d) The Consultants shall not be entitled to reimbursement for their out-of-pocket expenses, except for travel expenses that Company approves in advance in writing.

(e) Any and all payments made by Company to the Consultants shall be in U.S. dollars and shall be remitted to Taiwan Transportation Machinery Corp.

4. Non-Competition.

During the term of this Agreement, the Consultants shall not, directly or indirectly, in Taiwan or any other geographic area where the Company does or intends to do business, render any services of a business, commercial, or professional nature to any person or entity providing, or associated with the provision of, international satellite services in competition with Company.

5. Confidentiality.

The Consultants acknowledge that, during the term of this Agreement, they will have access to confidential or proprietary information (including, without limitation, technical information, financial projections, and marketing information) relating to the business and operations of the Company and its parent, subsidiary, and affiliated companies. The Consultants agree that all such information, to the extent identified in writing by Company as confidential (the "Confidential Information"), shall be kept and treated as confidential during the term and after the termination of this Agreement.

6. Miscellaneous.

6.1 Notices.

Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been

Clay Whitehead Associates

1320 Old Chain Bridge Road, McLean, Virginia 22101 Phone 703-847-8787 Fax 703-847-8804

FACSIMILE MEMORANDUM

To: ✓ Fred Landman
Fax: 1-203-622-9163
From: Clay T. Whitehead *T*
Date: March 15, 1993
Subject: Taiwan

I talked to Roger Robinson about early transponder leases in Taiwan for PAS-2. Could you please send me something I could forward to him on prices and terms? Also, what finder's fee we could offer his group.

Alpha Lyracom Space Communications

1320 Old Chain Bridge Road, McLean, Virginia 22101 Phone 703-847-8787 Fax 703-847-8804

FACSIMILE MEMORANDUM

To: Cheng-yen Teh
Fax: 1-908-654-0382
From: Clay T. Whitehead
Date: April 18, 1992

According to our conversation, we understand that you will have discussions on behalf of Alpha Lyracom with potential investors in Taiwan and elsewhere in Southeast Asia. Should you in fact introduce Alpha Lyracom to such an investor and an investment result from your efforts, you would receive compensation from Alpha Lyracom on terms and conditions established by Alpha Lyracom.

CC TOM WHEATLEY
PING
TICE TAIWAN
DGT



**DIRECTORATE GENERAL
OF TELECOMMUNICATIONS**

Ministry of Transportation
and Communications
Republic of China

fax:002-1-203-622-9153

November 1, 1991

~~XXXXXXXXXXXXXXXXXXXX~~
President
Alpha Lyracom
Space Communications

Dear Mr. Landman,

Thank you for your letter dated October 23, 1991 together with a draft Memorandum of Understanding.

As the satellite development policy of our government is being examined and reviewed, we would be glad to inform you of our comments in the future when the policy is finalized.

Sincerely,

Duei Tsai

Duei Tsai
Director
Corporate Planning Dept.

3972108

NO. 11 KINHO K. RD., TAIPEI, TAIWAN, FAX (02) 3049284 TELEX 21732 DENTEL

FACSIMILE COVER SHEET

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

TO: Fred Landman, Rene Anselmo

COMPANY: Alpha Lyracom Space Communications

FAX #: 1-203-622-9163

DATE: October 11, 1991 TIME: 4:06 pm

FROM: Clay T. Whitehead

Pages following this cover sheet: 7 pages.

COMMENTS:

Here is the draft for Taiwan. Note that it limits them to less than half the \$75 million from Asia.

October 11, 1991

DRAFT

VIA FAX 011-886-2-397-2254

Dr. Duei Tsai
Director
Corporate Planning Department
Directorate General of Telecommunications
31, Ai-Kuo East Road
Taipei, Taiwan 10605
REPUBLIC OF CHINA

Dear Dr. Tsai:

As we discussed, I am forwarding to you a proposal for establishing a relationship between the R.O.C. and Alpha Lyracom. This proposal takes the form of a draft Memorandum of Understanding between the D.G.T. and Alpha Lyracom.

The draft is similar to those we are discussing with potential major investors in Japan and Europe.

The provisions regarding the size of the investment and the number of transponders for the use of the R.O.C. simply reflect a starting basis for discussion; we would appreciate your suggestions on how to make these and related terms best fit the R.O.C. situation.

We hope to come to Taiwan to meet with you to discuss this in detail after you have had a chance to review it, but in the meantime, let me mention a few key points here which will help you in your reading of the attached draft.

1. For reasons of FCC procedures and to simplify the stock structure, a new corporation is being established to be called "ALPHA LYRACOM CORPORATION." All assets, personnel and licenses of the existing business will be transferred to the new Alpha Lyracom Corporation; it will be the vehicle for investment and will carry on the business of the Global Satellite Venture. The present company, Alpha Lyracom Space

Communications (ALSC), will serve only as a holding company for the shares of the present owner. The transfer of assets as described in the draft is expected to be completed by the time the Memorandum is signed.

2. The arrangements for nominating directors to the Board and for voting on the Board and among the two classes of shareholders are drawn carefully to balance several factors, including FCC concerns about foreign control, protection of the minority shareholders' key interests, maintaining knowledgeable management and estate planning for the present owner.

3. The draft contemplates our present plan to have investment of \$75 million from three groups of strategic partners from Europe, Japan, and Asia. We believe the R.O.C. should be a major partner in the Asia group.

Please let me know if you have any immediate questions or if we can provide any additional information. We would like to try to conclude a mutually agreeable Memorandum of Understanding by the end of the year. Toward that end, we could come back to Taiwan some time in November if that suits your plans.

We look forward to working with you.

Sincerely,

Fred Landman
President

DRAFT

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DIRECTORATE GENERAL OF TELECOMMUNICATIONS
AND
ALPHA LYRACOM CORPORATION

This Memorandum of Understanding between the DIRECTORATE GENERAL OF TELECOMMUNICATIONS ("DGT") and ALPHA LYRACOM CORPORATION ("Alpha") sets forth the mutual understanding of the two parties as to how they will proceed to conclude arrangements for DGT to invest in Alpha.

1. Mr. Rene Anselmo has engaged in the satellite communications business through Alpha Lyracom d/b/a Pan American Satellite ("PAS") which has owned and operated the PAS-1 communications satellite located at 45° West Longitude in the Atlantic Ocean region and Alpha Lyracom Space Communications, Inc. ("ALSC") which has marketed satellite services utilizing PAS-1. ALSC will be renamed, but hereafter in this memorandum is referred to as ALSC. ALSC is controlled by the Anselmo family, and Alpha is wholly owned by ALSC.

2. Alpha has received by transfer all of the assets of the existing satellite business of ALSC, including all existing contracts for satellite services, and ALSC has ceased to operate in the satellite business. PAS holds the license from the U.S. Federal Communications Commission ("FCC") for PAS-1, has received authorization from the FCC to begin construction on a second satellite to be located at 192° West Longitude in the Pacific Ocean region, and has filed applications at the FCC for additional satellites. PAS has requested permission from the FCC to transfer all licenses and applications to Alpha and will make such transfers as soon as authorized to do so.

3. Alpha is expanding its satellite system to enable it to offer a wide range of telecommunications services globally. This global satellite system will be designated ORBX. PAS-1 will be redesignated, and is referred to below, as ORBX-1. Alpha has contracted with Hughes Aircraft Company to construct three new satellites which will be designated ORBX-2, 3, and 4.

ORBX-2 which is under construction will be located at 192° to serve the Asia/Pacific region, and ORBX-3 and ORBX-4 will be located to serve the Indian and Atlantic Ocean regions.

4. Alpha will have two classes of common stock. Class A shares will carry one (1) vote per share and the class will have the right to designate four (4) of the nine (9) members of the Board of Directors of Alpha. Class B shares will carry five (5) votes per share and the class will have the right to designate five (5) of the nine members of the Board of Directors. In all other respects the Class A stock and Class B stock will be equal in ownership and rights.

The following actions will require approval by both a majority of the Class A shares and a majority of the Class B shares:

- a. The sale of all or substantially all of Alpha's assets.
- b. The dissolution of Alpha.
- c. The merger or consolidation of Alpha with or into any other corporation.
- d. The amendment of the certificate of incorporation.

There are 500,000 shares of Class B stock authorized and issued, all of which are owned by ALSC. If the Class B shares owned by ALSC are transferred to any party other than a member of the Anselmo family, the shares so transferred will be converted to Class A stock and will have one (1) vote per share. If ALSC and Anselmo family members together own fewer than 100,000 shares of Class B stock or if ALSC ceases to be controlled by Anselmo family members, then all remaining shares of the Class B stock will be converted to Class A stock and Class A stock will be entitled to elect all members of the Board of Directors.

Both classes of stock will be entitled to preemptive rights which will afford the stockholders an opportunity to purchase their pro rata shares of additional shares if offered for sale by Alpha, and there is expected to be an agreement among the stockholders granting one another certain rights of first refusal to purchase shares if offered for sale by any stockholder. These preemptive rights and rights of

first refusal will terminate if and when Alpha has a public offering of its stock.

Alpha presently expects to have a public offering of its stock at a later time when it judges that the conditions for doing so are favorable in order to create liquidity for Alpha's stockholders and to provide the company with access to public markets, and DGT concurs with this intention. Alpha has authorized sufficient Class A shares to provide for such a public offering.

5. Certain actions will require approval by the Board of Directors by a supermajority, meaning the approval of not fewer than half of the directors appointed by the Class A stock and not fewer than half of the directors appointed by the Class B stock who present at the meeting. The following actions require approval by a supermajority of the Board of Directors:

- a. The sale of all or substantially all of Alpha's assets.
- b. The dissolution of Alpha.
- c. The merger or consolidation of Alpha with or into any other corporation.
- d. The amendment of the certificate of incorporation.
- e. The amendment or repeal of the bylaws.

All other decisions required of the Board of Directors will be made by the Board of Directors acting by simple majority present at the meeting.

6. In order to provide for partial funding of ORBX-2, ORBX-3 and ORBX-4, Alpha intends to sell 500,000 shares of Class A stock to new investors for a price of \$450 per share, for an aggregate contribution of a new equity of \$225 million. If all 500,000 shares are sold, the equity of Alpha will be owned 50% by ALSC (Class B Stock), and 50% by new investors (Class A Stock).

Alpha currently expects that these shares will be purchased by three or four entities, each of which may be a single corporation investing singly or a group of investors investing as a group and each of which

intends to play an active role in marketing Alpha's services in their region of the world.

7. DGT and Alpha will work together to form a group of companies in Asia (not including Japan) interested in Alpha's business (the "Asia Investor Group") that will purchase \$75 million of Alpha Class A shares on the terms described above. DGT will contribute a US\$25 million to US\$35 million as part of the group. DGT and Alpha will work cooperate to bring together a mutually agreeable group of Asian companies who will join DGT in the Asia Investor Group and who will contribute the balance of the Asian investment. DGT and Alpha will consult with each other to reach agreement as to whether DGT will be the sole investor from the R.O.C.

The funds subscribed by the Asia Investor Group will be paid to Alpha on the following schedule:

<u>Date</u>	<u>Percentage Funded</u>
January 15, 1992	20%
May 15, 1992	20%
September 15, 1992	20%
January 15, 1993	20%
May 15, 1993	<u>20%</u>
	100%

8. DGT (together with other investors from the R.O.C., if any) will form a corporation (the "ROC Operating Company") to act as Alpha's marketing and operating agent in the R.O.C., and Alpha will use the ROC Operating Company as its preferred agent for such purposes in the R.O.C. Alpha will have the option of owning up to 20% of the R.O.C. Operating Company. Business arrangements between Alpha and the R.O.C. Operating Company will be established in an R.O.C. Priority Operating Agreement that will provide terms more favorable than afforded any other marketing or operating agent in Asia and at least as favorable as any other agent entering into a Priority Operating Agreement with Alpha in other regions of the world. It is expected that the other large investors in the Asia Investor Group will establish similar arrangements to provide Alpha Lyracom services in their countries.

9. DGT will assist Alpha and Alpha will consult with DGT in the identification of a compatible group of Asian investors that will form an Asian Investor Group.

10. Alpha and DGT intend to use their best efforts to establishment the business and investment relationships between Alpha and DGT that are described in this Memorandum. Alpha and DGT understand that the final and binding agreement implementing these relationships, including any commitment of funds by DGT, cannot be concluded until a number of conditions are met or waived to their mutual satisfaction, including the following:

- DGT and the Asia Investor Group have had the opportunity to review and be satisfied with the business, assets and aspects of Alpha.
- The Board of Directors of DGT has approved the necessary agreements.
- Investment commitments in amounts and in form acceptable to both DGT and Alpha have been executed and delivered by other members of the Asia Investor Group.
- Alpha and the Asia Investor Group have agreed upon the form and substance of a definitive agreement for the investment in Alpha and the terms and form of the Asia Priority Operating Agreement.

11. This Memorandum shall expire on December 15, 1991, subject to any extensions mutually agreed by both parties.

ALPHA LYRACOM CORPORATION

Date: _____, 1991

By _____
Frederick Landman,
President

DIRECTORATE GENERAL
OF TELECOMMUNICATIONS

Date: _____, 1991

By _____



**DIRECTORATE GENERAL
OF TELECOMMUNICATIONS**

Ministry of Transportation
and Communications
Republic of China

February 21, 1992

Our Ref. No. 81-CP50-1(4)

Mr. Clay T. Whitehead
Vice Chairman
Alpha Lyracom
Space Communications
1320 Old Chain Bridge Rd.
McLean, Virginia 22101
U. S. A.

Dear Mr. Whitehead:

Thank you for your letter dated January 7, 1992 to our Minister which was recently referred to us for study and consideration.

Concerning the satellite development plan of your company, we have become well acquainted since your presentation at DGT last September on your proposal to provide capacity for DBS services within Taiwan which is a valuable reference for the future development of our satellite system.

In response to your proposal, we wrote to you last November concerning our satellite plan. As our government is currently undertaking a review of the satellite development policy, we will be glad to inform you of any decision when it is available.

Kind regards,

Sincerely yours,

P. Y. Lee
Director-General

cc: Ministry of Transportation & Communications
Ministry of Foreign Affairs

Mr. C. T. Whitehead
Clay T. Whitehead and Associates
McLean, VA

Feb. 7, 1992

Dear Mr. Whitehead,

Happy Chinese New Year to you! This is the year of monkey. May I wish you first to have a prosperous year ahead.

I received your Taipei itinerary last week through J.J., and immediately got in touch with the concerned parties. I will hand you a copy of scheduled meeting when you arrive. In a brief, you will meet DGT people again. I am still following the development from Secretary General Wang and Minister Eugene Chien as a result of your letters to them. I hope to have a concrete result to report to you when you are here.

Before your arrival, I would like to brief you where we are now, and what actions we can take ahead.

Since your last visit, there are two developments which have affected the progress of our efforts;

First, DGT was very much worried about its communications satellite issues before Pacstar collapsed. Under former Minister Chang, it had tried to solve the issue and also to promote DBS at the same time through Pacstar in a one-stone-to-kill-two-birds way. Miraculously, in last October, DGT had managed to sign a new lease with Intelsat for its communication satellite purpose, which has been its major urgent concern and responsibility. This has subsequently slowed down its satellite development process due to less enthusiasm for DBS, which is really not within its administration and beyond its control.

Second, the new Minister Eugene Chien has been on his job no more than a year. When he took over as the Minister, the government was right on its high-gear to start the Six-Year National Development Plan. The Plan has been initiated and strongly promoted by Premier Hau and was mainly connected with Taiwan's infrastructure construction. High on Minister Chien's agenda are Second Highway Project, Mass Transit Project, aerospace industry development (you probably know Taiwan's interests in buying 40% share of MD), High-speed rail project, airport expansion and air-landing rights negotiation with European countries, and last of all, the privatization of telecommunication business within his DGT. Those are the areas where he can demonstrate his capabilities and performance in Premier Hau's cabinet. Under the circumstances, he has not really paid too much attention to satellite development project in connection with DBS. For his political future, he cannot afford to either, unless someone from the higher-up or legislature expects him to. By the way, his trip to Washington D.C. in the end of last month along with a group of cabinet-level officials and their wives was given a specific assignment. I found it would be unproductive to have him to meet you briefly because he might be embarrassed to talk to you without preparation.

with issues you would ask him, or he might be reluctant to discuss the issues with you without making any progress on his part. I hope you would understand my concerns of not informing you, although I should let you know in advance of my concerns in retrospect.

In order to break-through the above slow-down situation, there are two measures I would recommend that we can take now.

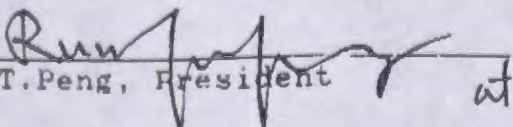
First, I would like you to meet Mr. Y.C.Lee during your trip this time. As you might have been briefed by J.J., he is the son of Mr.K.T.Lee. The latter is now a Senior Advisor to Taiwan President T.H.Lee and was Minister of Economic Affairs, and Chairman for the Council of Economic Planning and Development. He is the key person credited with Taiwan's high-tech development and economic advancement. Most importantly, Minister Chien is his protoge. He has helped Minister Chien from running as a legislator to Director of Environmental Protection Agency to finally as a Minister. All these are through the recommendation and influence by him. Secretary General Wang was also once served as Chief Secretary to him when he was the Minister. I had a long talk with his son, Mr. Y.C.Lee, about PAS's interests in Taiwan and briefed him thoroughly about the development so far. He showed interests in getting involved and to solicitate his father's intervention. I believe Mr. K.T.Lee's top-down approach should create an initiative from Minister Chien and Secretary General Wang to pay attention to DBS issue and push for Taiwan Government's immediate action with regard to the cooperation with PAS. As soon as we have the information of Japanese partner's signing with PAS, I am confident this will further accelerate the momentum.

Second, I also have talked in length with the Chairman of Committee of Communications in the Legislative Yuan, who happens to be my hometown fellow and a close personal friend. He is also very much interested in getting into the action. He would propose a legislation to demand the government to speed up the development of DBS, if I request him to do so. I am sure this would provide a tremendous pressure on the Executive Yuan along with its Ministry of Communications and Transportations to work on DBS issue as its priority. However, I would not take this measure unless the situation comes to dead-lock, because a pressure from legislative politician on Government Minister is too drastic to take at this stage. Taiwan Government now has a 15 year plan to develop its satellite industry and expects to launch its first satellite in six years.

I will discuss more fully with you when you arrive in Taipei. I look forward to seeing you again in Taipei.

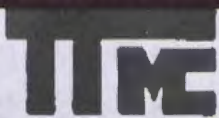
Best regards.

Sincerely yours,


R.T. Peng, President

at home office

cc: Mr. Roger Robinson



FACSIMILE (TELECOPIER) SYSTEM

- COVER SHEET -

DATE Feb 7, 1992

TO: Mr. C. T. Whitehead

Alpha Lyracon
COMPANY NAME

LOCATION: McLean, VA

FAX NO.: (703) 847-8804

FROM: R. T. Peng

TTMC
COMPANY NAME

TIME SENT: 17:30 pm

OF PAGES: 2

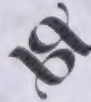
(excluding coversheet)

MESSAGE:

Dear Lisa:

Please forward this fax to Mr. Whitehead before he leaves for Asia trip by all means if he is not in office. Thank you!

J. J.



ALPHA LYRACOM
SPACE COMMUNICATIONS

Clay T. Whitehead
Vice Chairman

1320 Old Chain Bridge Road
McLean, Virginia 22101
Phone: (703) 847-8787
Fax: (703) 847-8804

January 7, 1992

VIA FAX 1-202-966-0825

Mr. Ding Mou-Shih
Representative
Coordination Council for North American Affairs
Washington, D.C. 20016-2137

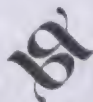
Dear Mr. Ding:

As I believe you are aware from a letter earlier this summer on behalf of Alpha Lyracom from Natale Bellocchi at AIT, we plan to launch a satellite over the Pacific Ocean in 1994 to provide international data, video and other telecommunications services the region including Taiwan.

I would appreciate it if once again you could help forward the two enclosed letters to their respective recipients, one to Mr. C. M. Wang, Secretary General of the Executive Yuan, and the other to Minister Chien of the Ministry of Communications and Transportation. These letters discuss how Alpha Lyracom can best serve the telecommunications and satellite broadcasting needs of the R.O.C.

If you would like any further information, I will be pleased to provide it. I look forward to hearing from you and appreciate your help on this matter.

Sincerely,



ALPHA LYRACOM
SPACE COMMUNICATIONS

Clay T. Whitehead
Vice Chairman

1320 Old Chain Bridge Road
McLean, Virginia 22101
Phone: (703) 847-8787
Fax: (703) 847-8804

January 7, 1992

Mr. C. M. Wang
Secretary General
Executive Yuan
Republic of China
Taipei, Taiwan
REPUBLIC OF CHINA

Dear Secretary General Wang:

It is my pleasure and honor to write you on a matter involving your country's satellite program.

Alpha Lyracom Space Communications operates the world's first privately-owned international communications satellite system. As a U.S. corporation, Alpha Lyracom is assigned the orbit positions for its satellites and is regulated by the U.S. Federal Communications Commission (FCC).

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Alpha Lyracom has received approval from the FCC to begin construction of a satellite to serve the Pacific Ocean region at 192° West Longitude (167° East Longitude). The company has contracted with Hughes Aircraft Company to build three new satellites. These new satellites will be very powerful (much more so than Intelsat) so our customers can use small and inexpensive dish antennas for television reception and for two-way services.

The Pacific satellite will be launched in June 1994. The second new satellite will be launched in January 1995 to serve the Indian Ocean region, and the third new satellite will be launched in April 1995 to add to our capacity in the Atlantic Ocean region. As a result of this expansion, Alpha Lyracom will be able to carry its customers' communications anywhere in the

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Alpha Lyracom has long been interested in providing telecommunications services to the ROC in cooperation with the Ministry of Communications and Transportation and other agencies of the ROC government. We foresee that these services could encompass three areas:

- International telecommunications service throughout East Asia and the Pacific and to Europe and the U.S.
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Mr. Fred Landman, the President of Alpha Lyracom, and I have twice visited Taiwan. Last January, we made technical presentations to the MOCT, including the DGT and Office of Science and Technology Advisors, and the Government Information Office regarding the possibilities for Alpha Lyracom to serve the current and emerging satellite communications needs of the ROC. In September, we met with Minister Eugene Chien and Minister Nan-hung Kuo to provide an update on our plans. During these visits, we have come to understand your Government's twin concerns for satellite telecommunications services and direct broadcast satellite (DBS) services and Premier Hau's personal interest in that area.

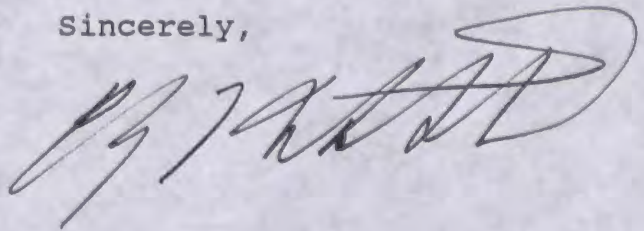
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Between the DGT privatization and the implementation of your DBS policy, we understand that these are critical times for your government in these areas. It is our hope to contribute importantly to the economic and political objectives of your overall satellite development program as a business partner both in the near-term and in the longer term. We look forward to hearing from you on this time-sensitive matter as to who we should coordinate with and would be pleased to provide any assistance you may wish.

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ALPHA LYRACOM
SPACE COMMUNICATIONS

Clay T. Whitehead
Vice Chairman

1320 Old Chain Bridge Road
McLean, Virginia 22101
Phone: (703) 847-8787
Fax: (703) 847-8804

January 7, 1992

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Minister of Communications and Transportation
Republic of China
Taipei, Taiwan
REPUBLIC OF CHINA

Dear Minister Chien:

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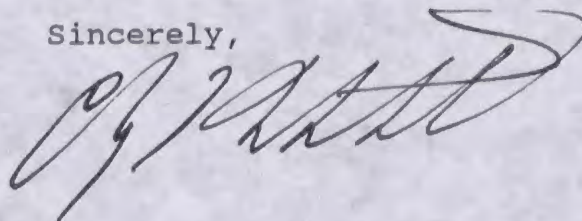
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Sincerely,

A handwritten signature in black ink, appearing to be "C. H. Huang", written in a cursive style.

FACSIMILE COVER SHEET

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

TO: Fred Landman

COMPANY: Alpha Lyracom Space Communications

FAX #: 1-203-622-9163

DATE: January 7, 1992 TIME: 2:45 pm

FROM: Clay T. Whitehead

Pages following this cover sheet: 12 pages.

COMMENTS:

*There will be a quiz,
so read carefully!*

FACSIMILE COVER SHEET

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

TO: Mr. J. J. Peng

COMPANY: _____

FAX #: 255-0239

DATE: January 7, 1992 TIME: 2:44 pm

FROM: Clay T. Whitehead

Pages following this cover sheet: 8 pages.

COMMENTS:

These were faxed today.

cc: Roger Robinson ✓

FACSIMILE COVER SHEET

CLAY WHITEHEAD ASSOCIATES
1320 OLD CHAIN BRIDGE ROAD
McLEAN, VIRGINIA 22101
FAX: (703) 847-8804
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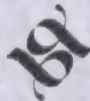
TO: Mr. Ding Mou-Shih
COMPANY: Coordination Council for North American Affairs
FAX #: 1-202-966-0825
DATE: January 7, 1992 TIME: 2:42 pm

FROM: Clay T. Whitehead

Pages following this cover sheet: 7 pages.

COMMENTS:

The attached letters will be delivered formally tomorrow.



ALPHA LYRACOM
SPACE COMMUNICATIONS

Clay T. Whitehead
Vice Chairman

1320 Old Chain Bridge Road
McLean, Virginia 22101
Phone: (703) 847-8787
Fax: (703) 847-8804

January 7, 1992

VIA FAX 1-202-966-0825

Mr. Ding Mou-Shih
Representative
Coordination Council for North American Affairs
Washington, D.C. 20016-2137

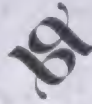
Dear Mr. Ding:

As I believe you are aware from a letter earlier this summer on behalf of Alpha Lyracom from Natale Bellocchi at AIT, we plan to launch a satellite over the Pacific Ocean in 1994 to provide international data, video and other telecommunications services the region including Taiwan.

I would appreciate it if once again you could help forward the two enclosed letters to their respective recipients, one to Mr. C. M. Wang, Secretary General of the Executive Yuan, and the other to Minister Chien of the Ministry of Communications and Transportation. These letters discuss how Alpha Lyracom can best serve the telecommunications and satellite broadcasting needs of the R.O.C.

If you would like any further information, I will be pleased to provide it. I look forward to hearing from you and appreciate your help on this matter.

Sincerely,



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SPACE COMMUNICATIONS

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Vice Chairman

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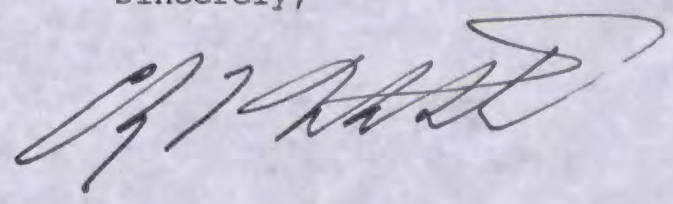
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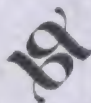
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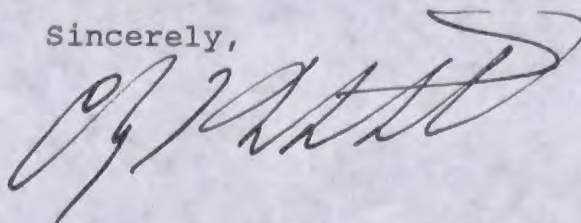
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DEC-09-191 18 25 F- T T H 2 22-70352/1 8815-02

Dear Mr. Whitehead,

As you are aware, I had a meeting with Dr. Tsai of DGT last Thursday. Here is what I have found and my personal follow-up observations.

First of all, he confirmed that DGT's development plan for satellite communication systems is at the moment, unchanged, and is according to the government as follows:

Domestic Satellite Communications System Development Plan
By Directorate General of Telecommunications
Ministry of Communications & Transportation

I. DEVELOPMENT STRATAGEM

To divide in Three Stages and be processed step by step:

- 1st stage (Short-range Plan):
Procure (or rent) satellite transponder from Intelsat for domestic communications use.
- 2nd stage (Mid-range Plan)
Participate in the investment of the Pacific area regional satellite system.
- 3rd stage (Long-range Plan)
Develop self-own satellite

II. PRESENT SITUATION

1. 1st stage situation

Had procured, in Feb. 1, 1989, an INTELSAT IS-V, F-8, No.63 Transponder (INTELSAT No.5 Series, No.63 Transponder in the F-8 Satellite) for the communication use in the Taiwan island and Kim-mom/Ma-zu area, and also completed in Oct. 1989, the surface engineering work in Kim-mom/Ma-zu area, and provided remote area communications service.

Due to the aging of the F-8 satellite, it is estimated that from May, 1991 it will start to enter into the slant orbit phase, it was purchased at US\$1.76 million then and was supposed to be used for only 2 years. Yet, since the satellite will not be removed until 1996, we have installed Tracking Antenna in Kim-mom/Ma-zu area to continue its use free charge until 1996.

DEC-09-91 18:06 T- T T H C 02-7055211 #015-03

2. 2nd stage situation

- Participate in the investment of the Pacific area regional satellite system (PACSTAR case)
- After the collection of satellite planning information from various Pacific regions and comparison, it was preliminarily decided that it was to our best advantage by joining PACSTAR communications satellite investment plan. Former Minister Kuo sent the Office of Science & Technology Advisors in charge and DGT to negotiate with PSI for three years and obtained several favorable terms to us.

Finally, both sides expressed the intention of cooperation. In Oct. 19, 1990, under the auspices of Former Minister Chang, DGT with its nominal entity, ITDC, signed a MOU with PSI, PACSTAR's US in charge.

According to the cooperation agreements, both sides should send their salesperson to PAM-Asia area to sell the transponder six months after the signing of the MOU. If it would lead to satisfactory result, both sides would move a further step to formally sign a formal contract of joining with PACSTAR plan.

Otherwise, it would terminate the cooperative relationship. Both sides would spare any expense except their own expenses during the selling period.

Due to the insistent belief by the concerned personnel from the Directorate General of Post that our country does not need satellite, they have objected to this case from the beginning. Furthermore, for some unknown reasons, Former Minister Chang had approved the switching of charge of satellite plan to DGP later. The so-called "sales work" ended up sending only 3 persons to visit Singapore.

Finally, in August of this year, the case was terminated due to "no good result in terms of sales and finance, too much risk involved based on the various analysis of investment safety and economic efficiency."

DEC-09-'91 18:07 T- T T M C 82-7055211 #018-04

3. 1st revised plan in the 1st stage plan

Judging the PACSTAR case was not going smooth, DGT had also Reserved IS-V, F-11, No.63 and No.69 two transponders after purchasing F-8 transponder in an attempt to substitute the use of F-8. INTELSAT had originally planned to move F-11 from the Atlantic area to the Pacific area for use after IS-VI, F-3 was launched. But F-3 launch failed, and F-11 was not able to be moved to the Pacific area for use. Thus the revised plan was given up.

4. 2nd revised plan in the 1st stage plan

Since giving up the 1st revised plan in the 1st stage plan, DGT went then to negotiate with INTELSAT directly through COMSAT renting No.311, and No.113 two transponders in the IS-VII, F-2 satellite supposed to be launched in the 3rd season of 1993. The letter had been sent to COMSAT in August, 1991, and so far no response has been received. Since this satellite will be a new one with life span of 15 years, it will be for rent only and not for sale. The rental fee is US\$2.10 million per year for one time rental sign-up of 15 years (it will be US\$3 million or more if it is only rented for 2 or 3 years) No.311 transponder will be provided to Public TV for its TV-relay use in the future (Public TV has made the reservation and paid the fee). No.113 will substitute F-8 for the extension use of 1st stage.

5. Possible extension works in the 2nd stage plan

Since INTELSAT's satellite is for communications, not for broadcasting, the rented or purchased transponders from INTELSAT could only be used for communications, or TV-relay purpose, but not for DBS. Yet DBS is now the established policy by the Executive Yuan. Therefore, no matter what, the 2nd stage plan has to proceed continuously. DGT should seek for another cooperative partner. Currently, the following are possible and under the consideration:

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- (2) To participate in PANAMSAT plan.

PANAMSAT has the proven experience of satellite business in Europe (PAS-1 satellite). The company is planning to launch a Pacific regional satellite in 1994 and has invited Japan and Europe to invest US\$75 million respectively. In addition, it intends to invite Taiwan, Korea, Hong Kong, and Singapore investing jointly with US\$75 million and is considering to ask our country as a group leader. It is told that the company will formally sign a contract with Japan next month (October). We should closely watch the development.

5. 3rd stage work (estimated in 2000)

To depend upon the result of the 2nd stage plan.

As for the short range plan, the DGT has more or less completed the first stage in which it rented or purchased INTELSTAT's satellites and transponders for its telecommunication purposes. ~~Then~~ it had started the second stage of the plan three years ago by participating in the investment of Pacific regional satellite systems. The PACSTAR project was a result of this venture by DGT. At that time Premier Hau also intended to promote and advocate direct broadcasting satellites in addition to telecommunication satellites. DBS is Premier Hau's pet project according to his speeches. Thus DBS had become a government policy to be executed. However the end-users of DBS were vague at that time. It could include Public TV, the Ministry of Education, and ~~some~~ Information Bureaus of the National and Provincial Government. Therefore, Premier Hau's Executive Yuan had appointed a minister without portfolio, Mr. K. H. Huang, to be in charge of the coordination work among possible DBS end-users. Mr. Huang was on the job for a while and then he was transferred and appointed to another important ~~job~~ ~~position~~ job during the reshuffle of Ministers here in the ROC last April. He left the DBS coordination job without any successor to continue his work. At that time the PACSTAR project was also appearing to be dead. DGT did not realize the situation until they had received and reviewed Alpha Lyracon's literature and tried to work on the proposal through potential DBS end-users. Unfortunately for the past few months DGT has also been heavily involved in its own priority project of transferring itself into a private company. Therefore they are doing what every bureaucratic organization would do, that is, take care of their own territory ~~or~~ job first. After all DGT's job mainly deals with telecommunications only, not broadcasting.

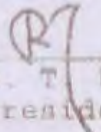
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Under these circumstances I find we need an urgent step to break this bureaucratic bottleneck. The most important thing to do now is to let Premier Hau know of the Executive Yuan's lack of a coordinator at the moment to facilitate his favorite project. I would like to urge you to write a letter to the General Secretary of the Executive Yuan, Mr. C. M. Wang, via CCNAA, requesting to find out simply who is in charge of coordinating the potential DBS end-users. At that point in time I will follow your letter with vigorous action.

In the meantime a side step to send the exact ^{ASMR} message to the Minister of Communication and Transportation, Mr. Eugene Chien, is being planned. I understand that Mr. Colin Clark, Mr. Judge Clark's son, is going to have a meeting with Minister Chien this coming Tuesday on other matters. We appreciate his willingness to bring up Alpha Lyracom's proposal at the appropriate time and to inquire again simply who is in charge of coordinating the DBS end-users. We hope that Minister Chien will find out the situation and bring the matter up at his ministers meeting, attracting Premier Hau's attention.

I look forward to your comments on the above developments.

Best regards,


R. T. Peng
President



ALPHA I
SPACE COMM

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To: Whitehead	From: FAL	
Co:	Co:	
Dept:	Phone #:	
Fax #:	Fax #:	

VIA FACSIMILE 011-886-2-397-2254

October 23, 1991

Dr. Dwei Tsai
Director
Corporate Planning Department
Directorate General of Telecommunications
31, Ai-Kuo East Road
Taipei, Taiwan 10605
REPUBLIC OF CHINA

Dear Dr. Tsai:

As we discussed, I am forwarding to you a proposal for establishing a relationship between the R.O.C. and Alpha Lyracom. This proposal takes the form of a draft Memorandum of Understanding between the D.G.T. and Alpha Lyracom.

The draft is similar to those we are discussing with potential major investors in Japan and Europe.

The provisions regarding the size of the investment and the number of transponders for the use of the R.O.C. simply reflect a starting basis for discussion; we would appreciate your suggestions on how to make these and related terms best fit the R.O.C. situation.

We hope to come to Taiwan to meet with you to discuss this in detail after you have had a chance to review it, but in the meantime, let me mention a few key points here which will help you in your reading of the attached draft.

1. For reasons of FCC procedures and to simplify the stock structure, a new corporation is being established to be called "ALPHA LYRACOM CORPORATION." All assets, personnel and licenses of the existing business will be transferred to the new Alpha Lyracom Corporation; it will be the vehicle for investment and will carry on the business of the Global

Dr. Duet Tsai
Directorate General of Telecommunications
10/23/91

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Satellite Venture. The present company, Alpha Lyracom Space Communications (ALSC), will serve only as a holding company for the shares of the present owner. The transfer of assets as described in the draft is expected to be completed by the time the Memorandum is signed.

2. The arrangements for nominating directors to the Board and for voting on the Board and among the two classes of shareholders are drawn carefully to balance several factors, including FCC concerns about foreign control, protection of the minority shareholders' key interests, maintaining knowledgeable management and estate planning for the present owner.

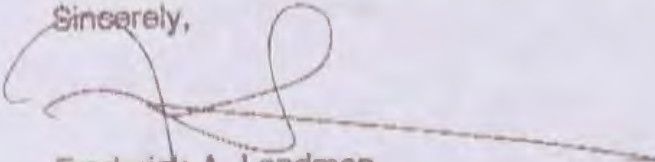
3. The draft contemplates our present plan to have investment of \$75 million from three groups of strategic partners. Each group would be composed of a company or companies. One group would come from each of the following geographic regions, Europe, Japan and Asia. We believe the R.O.C. should be a major partner in the Asia group.

4. The draft includes a provision where the equity investment can be made up in part by R.O.C. commitment and freely of transponder capacity on the satellite at the time of the investment commitment.

Please let me know if you have any immediate questions or if we can provide any additional information. We would like to try to conclude a mutually agreeable Memorandum of Understanding by the end of the year. Toward that end, we could come back to Taiwan some time in November if that suits your plans.

We look forward to working with you.

Sincerely,



Frederick A. Landman
President

FAL:mf

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MEMORANDUM OF UNDERSTANDING
BETWEEN
DIRECTORATE GENERAL
OF
TELECOMMUNICATIONS
AND
ALPHA LYRACOM CORPORATION

This Memorandum of Understanding between Directorate General Of Telecommunications, (DGT) and Alpha Lyracom Corporation, (Alpha) sets forth the mutual understanding of the two parties as to how they will proceed to conclude arrangements for DGT to invest in Alpha.

1. Mr. Rene Anselmo has engaged in the satellite communications business through Alpha Lyracom d/b/a Pan American Satellite (PAS), which owns and operates the PAS-1 communications satellite located at 45° West Longitude in the Atlantic Ocean region. Alpha Lyracom Space Communications, Inc., (ALSC) has marketed satellite services utilizing PAS-1. ALSC may be renamed, but for the purposes of this memorandum is referred to as ALSC. ALSC is controlled by the Anselmo family, and Alpha is wholly owned by ALSC.

2. Alpha will receive by transfer all of the assets of the existing satellite business of PAS and ALSC, including the satellite, the licenses, and all existing contracts for satellite services. ALSC and PAS will cease to operate in the satellite business. PAS holds the license from the U.S. Federal Communications Commission (FCC) for the satellite PAS-1, and has received conditional authorization from the FCC to begin constructing a second satellite to be located at 192° West Longitude in the Pacific Ocean region, and has filed applications at the FCC for additional satellites. PAS intends to request permission from the FCC to transfer all licenses and applications to Alpha (or one or two wholly-owned subsidiaries of Alpha) and will make such transfers on the 31st of December, 1991, subject to FCC authorization to do so.

3. Alpha is expanding its satellite system to enable it to offer a wide range of telecommunications services globally. This global system will be designated ORBX. PAS-1 will be redesignated, and is referred to below, as ORBX-1. Alpha is contracting for three new satellites which will be designated ORBX-2, -3, and -4. ORBX-2 will serve the Pacific Ocean region

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as referenced above. Alpha's present intention is that ORBX-3 will serve the Atlantic Ocean region, and ORBX-4 will be placed in service over the Indian Ocean region.

4. Alpha will have two classes of common stock. Class A shares will carry 1 vote per share, and the class will have the right to appoint a number of directors corresponding to the number of new investors with a commitment of funding of at least US\$ 75,000,000. Each investor, or investor group that makes such a commitment will be granted the right to appoint one director. Class B shares will carry 5 votes per share, and the class will have the right to appoint a number of directors equal to the numbers of directors elected by Class A shares, plus one. In all other respects the two classes of stock will be equal in ownership and rights.

The following actions will require approval by both a majority of the Class A shares and a majority of the Class B shares:

- a. The sale of all or substantially all of Alpha's assets.
- b. The dissolution of Alpha.
- c. The merger or consolidation of Alpha with or into any other corporation.
- d. The amendment of the certificate of incorporation.
- e. Any modification in the rights attached to each class of shares.

There will be 500,100 shares of Class B stock authorized, all of which will be owned and voted by ALSC. If the Class B shares owned by ALSC are transferred to any party other than a member of the Anselmo family, the shares so transferred will convert to Class A stock and will carry 1 vote per share. If fewer than 100,000 shares of Class B stock remain, or if ALSC ceases to be controlled directly or indirectly (i.e., by way of owning the majority of the shares or the voting rights) by the Anselmo family, then all remaining shares will convert to Class A shares and this class will have the right to appoint all members of the Board of Directors of Alpha. In such a case, to the extent permitted by U.S. law, DGT will be granted the right to be represented at the board of directors with a number of directors corresponding to its equity participation in the company.

Both classes of stock will be entitled to preemptive rights which will afford the stockholders an opportunity to purchase their pro rata shares of additional stock if Alpha decides to issue new shares, whatever class they will be (but only Class B shareholders will have the right to purchase Class B stock.) There is expected to be an agreement among the stockholders granting one another certain rights of first refusal to purchase shares if they should be offered for sale by any shareholder (but such rights would not apply to

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transfers of Class B stock among ALSC and Anselmo family members). These preemptive rights and rights of first refusal will terminate if and when Alpha has a public offering of its stock. It should be noted that DGT's rights to purchase additional stock may be limited by provisions of U.S. law.

Alpha presently expects to have a public offering of its stock at a later time when it judges that the conditions for doing so are favorable, in order to create liquidity for Alpha's shareholders, and to provide the company with access to public markets. DGT concurs with this intention. Alpha has authorized sufficient shares to provide for such a public offering.

5. Certain actions will require approval by the Board of Directors on the basis of a supermajority vote. This means by the approval of not fewer than half of the directors of each class of stock who are present or represented (through another elected director) at the meeting. The following decisions require approval by a supermajority vote:

- a. The sale of all or substantially all of Alpha's assets.
- b. The dissolution of Alpha.
- c. The merger or consolidation of Alpha with or into any other corporation.
- d. The amendment of the certificate of incorporation.
- e. The amendment or repeal of the bylaws.

DGT will be granted appropriate minority protections consistent with Delaware corporate law and FCC policies.

All other decisions required of the Board of Directors will be made on the basis of a simple majority vote by those present or represented (through another director) at the meeting.

6. Alpha has authorized 10,000,000 shares of class A stock. In order to provide for partial funding of ORBX-2, ORBX-3, and ORBX-4, Alpha intends to sell 500,000 shares of Class A stock to new investors at a price of \$450 per share, for an aggregate contribution of new equity of \$225 million. If all 500,000 shares are sold, the equity of Alpha will be owned approximately 50.01% by ALSC (Class B stock) and 49.99% by new investors (Class A stock).

Alpha currently expects that a majority of these Class A shares will be purchased by three entities, each of which may be a single corporation investing singly, or a group of investors investing as a group, and each of which intends to play an active role in marketing Alpha's services in their region of the world. A quantity of these shares may be purchased by the

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ORBX satellite manufacturer, pursuant to option or convertibility rights granted in the satellite construction contract.

7. Alpha will work to form a group of companies in Asia (not including Japan) interested in Alpha's business (the "Asia Investor Group") that will purchase up to \$75 million of Alpha Class A shares on the terms described above. As a member of this group, DGT will subscribe for [77,778] shares of Alpha for a total investment of [US\$ 30] million. Alpha will consult with DGT to bring together a compatible group of Asian companies who will join DGT in the Asia Investor Group and who will contribute the balance of the Asian investment. DGT and Alpha will consult each other to reach agreement as to whether DGT will be the sole investor from the R.O.C.. If DGT is the first new investor to make a binding commitment to invest on these terms, Alpha will grant to DGT any improved terms and conditions which might be granted to later new investors.

The funds subscribed by DGT will be paid on the following schedule:

Date	Percentage Funded
15 May 1992	20%
15 September 1992	20%
15 January 1993	20%
15 May 1993	20%
15 September 1993	20%

The schedule of payments made by the other contributors in the Asia Investors Group will be determined later, as appropriate.

8. DGT will purchase [two] Ku-band transponders on the ORBX-2 satellite that is scheduled to be launched in 1994 and to be located at 192° West Longitude. Each of these transponders will have 54 MHz bandwidth, will utilize 63-watt TWTA's and will be protected by spare transponders. The purchase price for these transponders will be US\$ 24 million each, payable in equal quarterly installments prior to the scheduled launch date of the satellite, or US\$ 3.5 million per year for the life of the transponder, projected to be 15 years.

If DGT and Alpha execute a definitive purchase agreements ("Transponder Purchase Agreement") for these two transponders at the same time as the investment agreements contemplated by this memorandum, DGT will receive a credit of US\$ 12 million toward its investment commitment as described in paragraph 7 above, reducing the funds it must contribute for its shares to US\$ 18 million.

DGT will have the option to purchase up to two additional

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transponders on ORBX-2 or ORBX-4, either Ku-band or C-band, at any time up to 30 days after the launch of ORBX-2. The price for each Ku-band transponder will be US\$ 24 million, or US\$ 3.5 million per year, and the price for each C-band transponder will be US\$ 18 million, or US\$ 2.5 million per year.

9. DGT (together with other investors from the R.O.C., if any) will form a corporation (the "ROC Operating Company") to act as Alpha's marketing and operating agent in the R.O.C., and Alpha will use the ROC Operating Company as its preferred agent for such purposes in the R.O.C.. Alpha will have the option of owning up to 20% of the ROC Operating Company. Business arrangements between Alpha and the ROC Operating Company will be established in a ROC Priority Operating Agreement that will provide terms least as favorable as any other agent entering into Priority Operating Agreements with Alpha in other regions of the world. It is expected that the other large investors in the Asia Investor Group will establish similar arrangements to provide Alpha Lyracom services in their countries.

10. DGT will assist Alpha, and Alpha will consult with DGT in the identification of a compatible group of Asian investors that will form an Asia Investor Group.

11. Alpha and DGT intend to use their best efforts to establish the business and investment relationships between them that are described in this memorandum. Alpha and DGT understand that the final binding agreement implementing these relationships, including any commitment of funds by DGT, cannot be concluded until a number of conditions are met or waived to their mutual satisfaction, including the following:

- a. DGT has had the opportunity to review and be satisfied with the business, assets and aspects of Alpha.
- b. The board of Directors of DGT has approved the necessary agreements.
- c. Alpha and DGT have agreed upon the form and substance of a definitive agreement for the investment in Alpha and the terms and form of the ROC Operating Agreement.
- d. Investment commitments in amounts and in form acceptable to both DGT and Alpha have been executed and delivered by other members of the Asia Investors Group.
- e. Alpha and the Asia Investor Group have agreed upon the form and substance of a definitive agreement for the investment in Alpha, and the terms and form of the respective Priority Operating Agreements.

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12. This MOU will expire on 15 December, 1991, subject to extensions, as mutually agreed by both parties.

Date: _____, 1991

By: _____, Frederick Landman,
President
Alpha Lyracom Corporation

Date: _____, 1991

By: _____, Directorate General
Of Telecommunications

北美事務協調委員會駐美國辦事處

Coordination Council for North American Affairs
Office in U.S.A.
4201 Wisconsin Avenue, Washington, D.C. 20016

ED-80-023

September 13, 1991

Mr. Clay T. Whitehead
Vice Chairman
Alpha LyraCom Space Communications
1320 Old Chain Bridge Road
McLean, VA 22101

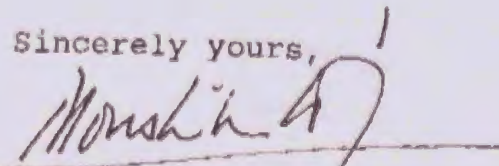
Dear Mr. Whitehead:

With reference to your letter of August 23, 1991 concerning your forthcoming visit to Taipei, I wish to inform you of the appointments arrange per attached itinerary as you requested.

If you need further information about your appointments, please feel free to call Mr. Tsau-zen Huang at 316-1794 when you arrive at Taipei. Mr. Huang is with the Department of North American Affairs, Ministry of Foreign Affairs of my government. We have provided him with your flight and hotel information and asked him to contact you.

I wish you a pleasant and fruitful trip.

Sincerely yours,



Mou-Shih-Ding
Representative

Itinerary for Mr. Clay T. Whitehead and Mr. Frederick Landman of
Alpha Lyracom

Tuesday, September 17, 1991

- 08:45 Meeting with the Hon. Eugene Chien, Minister of
Transportation and Communications (MOTC). Address: 2
Chang-sha St. Sec. 1, Taipei; Tel.: 311-2661.
- 09:00 Meeting with Mr. En-po Wang, Director of Department of
Posts & Telecommunications, MOTC. (Tel.: 311-2041)
- 10:00 Visit Directorate General of Telecommunications, MOTC.
(Address: 31 Ai-kuo E. Rd. Taipei; Tel.: 344-3601)
Luncheon hosted by Directorate General of
Telecommunications.
- 14:00 Discussion with officials of Directorate General of
Telecommunications.
15:00

Wednesday, September 18, 1991

- 10:30 Meeting with the Hon. Nan-hung Kuo, Minister without
Portfolio. Address: 1 Chung-hsiao E. Rd. Sec. 1,
Taipei; Tel.: 391-5231