Milbank, Tweed, Hadley & McCloy LLP

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A monthly round-up of space industry developments for the information of our clients and friends.

SpaceX to Launch Spacecom Satellite

Space Exploration Technologies (SpaceX) announced on January 27 that it has signed an agreement with ***Space Communication Ltd.*** (Spacecom) for the launch of a geostationary communication satellite on a ***Falcon 9*** launcher as early as December 2012. ***Israel Aerospace Industries Ltd.*** is also involved in the transaction. Spacecom operates the ***AMOS*** satellite fleet providing broadcasting and communications services to media broadcast and direct-to-home network operators, as well as to Internet, voice, data and digital TV services providers.

AsiaSat 2 Renamed AMOS-5i

Asia Satellite Telecommunications Company Limited (AsiaSat) announced on January 28 that ***Spacecom*** signed a contract for the exclusive use of ***AsiaSat 2***, a ***Lockheed Martin Series 7000*** satellite formerly located at the 100.5ºEL orbital location. Renamed ***AMOS-5i***, the satellite has been relocated to the 17ºEL orbital location from where it will provide high powered C-band and Ku-band capacity for communications services to Africa pending the planned launch of the ***AMOS-5*** satellite in mid-2011.

FCC Grants TerreStar ATC Authorization

On January 14, ***TerreStar Networks Inc.***, a majority-owned subsidiary of ***TerreStar Corporation***, announced that the ***Federal Communications Commission*** has granted it authority to integrate Ancillary Terrestrial Component (ATC) use of its 20 MHz of S-band spectrum into its next generation mobile wireless network and provide access to voice and data services through conventional wireless devices in the North American market.

ORBCOMM Settles Insurance Claim

ORBCOMM Inc., a global satellite data communications company focused on two-way machine-to-machine (M2M) communications, announced in December 2009 that it settled claims with its insurers under its launch and in-orbit insurance policy relating to the ***Coast Guard Demonstration*** satellite and five quick launch satellites. The settlement was in the aggregate amount of $44.25m representing 88.5% of the $50m limit of coverage. ORBCOMM's participation as co-insured was $10m. Each of the insurers waived all right, title and interest in and to the satellites. ORBCOMM retained ownership of the two quick launch satellites still operating.

Galileo Developments

On January 7, the ***European Commission*** (EC) announced that it selected a consortium led by ***OHB-System AG*** (OHB) and ***Surrey Satellite Technology Ltd.*** (SSTL) for the manufacture and testing of 14 satellites for the ***Galileo*** satellite navigation system, a program funded by the ***European Union***. OHB will be the prime contractor with responsibility for development of the satellite platform and overall integration activities, while SSTL will build and integrate the navigation payloads. On the same date, the EC awarded ***Thales Alenia Space Italia*** a framework contract for the provision of system support services for the Galileo system between 2010 and 2016. The value of the first work order under the framework contract, to be completed by 2014, is approximately €85m and includes performing overall system design, system security design and system integration, verification and in-orbit validation. In a related development, on January 26, ***Arianespace S.A.*** announced that it signed a launch services agreement for the deployment of the first ten Full Operational Capability (FOC) Galileo satellites into a circular orbit at an altitude of 23,000km. The launch contract is managed by the ***European Space Agency*** on behalf of the European Union and provides for the launch of the Galileo FOC spacecraft in pairs using ***Soyuz*** launchers operated from the ***Guiana Space Center*** starting in December 2012.

EGNOS Hosted Payload Deal for SES

On January 12, ***SES ASTRA*** announced that it was awarded a second contract by the ***European Commission*** to provide hosted payload services for the ***European Geostationary Navigation Overlay Service*** (EGNOS), a satellite-based augmentation system that is intended to supplement the ***GPS***, ***GLONASS*** and ***Galileo*** systems by reporting on the reliability and accuracy of satellite navigation signals over Europe. The new L-band payload will be hosted on board the ***ASTRA 5B*** satellite, which is being built by ***EADS Astrium*** and is scheduled for launch in the second half of 2011. Previously, the EC and SES ASTRA agreed on hosting EGNOS payload services on board the ***SIRIUS 5*** satellite. These contracts indicate the increasing presence of government hosted payloads on commercial satellites.

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