

# STEPTOE & JOHNSON LLP

ATTORNEYS AT LAW

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March 28, 2007

Ms. Sigal P. Mandelker  
Deputy Assistant Attorney General  
Criminal Division  
United States Department of Justice  
950 Pennsylvania Avenue, N.W.  
Washington, D.C. 20530

Dr. Richard C. Barth  
Assistant Secretary, Policy Development  
United States Department of Homeland Security  
3801 Nebraska Avenue, N.W.  
Washington, D.C. 20528

Ms. Elaine N. Lammert  
Deputy General Counsel  
Federal Bureau of Investigation  
935 Pennsylvania Avenue, N.W.  
Washington, D.C. 20530

**Re: Satamatics, Inc.  
Corporate Restructuring**

Dear Ms. Mandelker, Dr. Barth and Ms. Lammert:

This letter concerns a corporate restructuring recently undertaken by our client Satamatics, Inc. ("Satamatics"). Satamatics is a U.S. company that has licenses from the Federal Communications Commission to provide Inmarsat D+ service in the United States.

On May 17, 2002, we provided a letter to the FBI on behalf of Richtec, now called Satamatics, that provided assurances that the company would take all reasonable measures, including any necessary software and hardware modifications, to assist and support the FBI or any other United States federal, state or local agency with law enforcement or national security responsibilities in

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conducting lawfully authorized electronic surveillance. *See* Letter to Mr. James G. Lovelace (FBI) from Alfred M. Mamlet (Counsel to Richtec) (dated May 17, 2002) (attached to this letter). On October 28, 2004, Satamatics provided a letter to the Department of Justice, Federal Bureau of Investigation and Department of Homeland Security notifying them of a change in ultimate control of Satamatics from Richtec PLC to Satamatics Worldwide Ltd. ("Satamatics Worldwide"). *See* Letter to Ms. Laura H. Parsky (DOJ), Mr. Patrick W. Kelley (FBI) and Ms. Tina W. Gabbrielli (DHS) from Mr. Alfred M. Mamlet (Counsel to Satamatics) (dated Oct. 28, 2004) (attached to this letter). In that letter, it was confirmed that Satamatics and Satamatics Worldwide were familiar with the representations made in the May 17, 2002 letter and agreed to stand by those representations. In addition, on May 2, 2006, Satamatics provided a letter to confirm that pending FCC applications (under Titles II and III of the Communications Act) did not seek to provide new services in the United States, but only sought authority for Satamatics to continue to provide the Inmarsat D+ service in the U.S. using a recently launched fourth-generation Inmarsat satellite. *See* Letter to Mr. Joseph E. Springsteen (DOJ) from Mr. Alfred M. Mamlet (Counsel to Satamatics) (dated May 2, 2006) (attached to this letter).

Satamatics is providing this letter to notify you that ultimate ownership and control of Satamatics has now changed from Satamatics Worldwide to Satamatics Global Limited ("SGL"), effective October 12, 2006. This change in control was pro forma in nature because the shares in SGL were distributed to the then-existing shareholders of Satamatics Worldwide. Like Satamatics Worldwide, SGL is a company organized under the laws of England and Wales. Satamatics and SGL are familiar with the representations made in the May 17, 2002 letter and agree to stand by those representations.

Both companies are willing to take all reasonable measures to assist and support the FBI or any other United States federal, state or local agency with law enforcement or national security responsibilities in conducting lawfully authorized electronic surveillance. Any such request for assistance should be directed to:

Brian Hester  
President & COO  
Satamatics, Inc.  
12134 Main Street  
Libertytown, MD 21762  
(877) SAT-MATD (office)  
(202) 549-7769 (mobile)  
(360) 246-7263 (fax)  
brian@satamaticsa.com

Mailing Address:  
P.O. Box 393  
Buckeystown, MD 21717

Both companies understand that such assistance shall include, but not be limited to, disclosure if necessary of technical and engineering information relating to the design, maintenance or operation of Satamatics' system. Satamatics and the agency seeking Satamatics' cooperation will work together in determining what is reasonable, taking into account the investigative needs of the agency and

March 28, 2007

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Satamatics' commercial interests. Satamatics appreciates the government's agreement to maintain the confidentiality of any information that might be disclosed by Satamatics, including if necessary executing a Non-Disclosure Agreement with Satamatics for that purpose.

As part of its corporate restructuring, Satamatics and SGL have submitted the necessary filings to notify and seek approval from the FCC.

If you require any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Alfred M. Mamlet". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Alfred M. Mamlet

Attachments

cc: Jon D. Pifer (FBI)  
Lou W. Brenner, Jr. (DHS)  
Joseph E. Springsteen (DOJ, CCIPS)

# Attachments

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May 2, 2006

Mr. Joseph E. Springsteen  
Trial Attorney  
U.S. Department of Justice  
Computer Crime & Intellectual Property Section  
1301 New York Avenue N.W., Suite 600  
Washington, DC 20530

**Re: Title II and Title III Applications of Satamatics, Inc.  
File Nos. ITC-214-20060207-00086 (Title II), SES-MFS-20051202-01665 (Title III)**

Dear Mr. Springsteen:

This letter concerns the above-referenced applications filed by our client Satamatics, Inc. ("Satamatics").

Satamatics (*f/k/a* Richtec) is a U.S. company that has licenses from the Federal Communications Commission to provide the Inmarsat D+ service in the United States. On May 17, 2002 and October 28, 2004, we provided letters to the FBI on behalf of Satamatics, that provided assurances that the company would take all reasonable measures, including any necessary software and hardware modifications, to assist and support the FBI or any other United States federal, state or local agency with law enforcement or national security responsibilities in conducting lawfully authorized electronic surveillance. *See* Letter to Mr. James G. Lovelace (FBI) from Alfred M. Mamlet (Counsel to Satamatics) (dated May 17, 2002) (attached); Letter to Laura H. Parsky (DOJ) from Alfred M. Mamlet (Counsel to Satamatics) (dated Oct. 28, 2004) (attached).

The above-referenced applications filed by Satamatics do not seek to provide a new service in the United States. Rather, these applications only seek authority for Satamatics to continue to provide the Inmarsat D+ service in the United States using a recently launched fourth-generation Inmarsat satellite. Satamatics is not seeking any other changes to its authority to provide the Inmarsat D+ in the United States. Satamatics is familiar with the representations made in the May 17, 2002 and October 28, 2004 letters and agrees to stand by those representations.

Mr. Joseph E. Springsteen  
May 2, 2006  
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If you require any additional information, please do not hesitate to contact me.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Alfred M. Mamlet". The signature is written in dark ink and is positioned above the printed name.

Alfred M. Mamlet

Attachment

STEPTOE & JOHNSON<sup>LLP</sup>  
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amamlet@steptoe.com

1330 Connecticut Avenue, NW  
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October 28, 2004

Laura H. Parsky  
Deputy Assistant Attorney General  
Office of the Assistant Attorney General  
Criminal Division - Rm 2113  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

Patrick W. Kelley  
Deputy General Counsel  
Federal Bureau of investigation  
935 Pennsylvania Avenue, NW  
Washington, DC 20535

Tina W. Gabbrielli  
Director of Intelligence Coordination and Special Infrastructure Protection Programs  
Office of Infrastructure Protection  
U.S. Department of Homeland Security  
Washington, DC 20528

**Re: Title II and Title III Applications of Satamatics, Inc.  
Pending Transfer of Control Applications - FCC File Nos. ISP-PDR-20040715-  
00006, SES-T/C-20040715-01000, ITC-T/C-20040715-00293**

Dear Ms. Parsky, Mr. Kelley and Ms. Gabbrielli:

This letter concerns the above-referenced transfer of control applications filed by our client Satamatics, Inc. ("Satamatics").

Satamatics is a U.S. company that has licenses from the Federal Communications Commission to provide Inmarsat D+ service in the United States. Satamatics is currently controlled by a U.K. company, Richtec PLC. Prior to a *pro forma* transfer of control completed

Laura H. Parsky  
October 28, 2004  
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earlier this year, the licenses currently held by Satamatics were held by Richtec, Inc. ("Richtec"), also a U.S. company controlled by Richtec PLC. As you are aware, the above-referenced FCC applications seek approval to change the ultimate ownership and control of Satamatics, Inc. from Richtec PLC to Satamatics Worldwide Ltd. ("Satamatics Worldwide").

On May 17, 2002, we provided a letter to the FBI on behalf of Richtec, now called Satamatics, that provided assurances that the company would take all reasonable measures, including any necessary software and hardware modifications, to assist and support the FBI or any other United States federal, state or local agency with law enforcement or national security responsibilities in conducting lawfully authorized electronic surveillance. See Letter to Mr. James G. Lovelace (FBI) from Alfred M. Mamlet (Counsel to Richtec) (dated May 17, 2002) (attached to this letter). Satamatics and Satamatics Worldwide are familiar with the representations made in the May 17, 2002 letter and agree to stand by those representations.

Both companies are willing to take all reasonable measures to assist and support the FBI or any other United States federal, state or local agency with law enforcement or national security responsibilities in conducting lawfully authorized electronic surveillance. Any such request for assistance should be directed to:

Brian Hester  
President & COO  
Satamatics, Inc.  
7034 Michaels Mill Rd.  
Adamstown, MD 21710  
(877) SAT-MATD (office)  
(202) 549-7769 (mobile)  
(360) 246-7263 (fax)  
brian@satamaticsvs.com

Mailing Address:  
P.O. Box 393  
Buckeystown, MD 21717

Both companies understand that such assistance shall include, but not be limited to, disclosure if necessary of technical and engineering information relating to the design, maintenance or operation of Satamatics' system. Satamatics and the agency seeking Satamatics' cooperation will work together in determining what is reasonable, taking into account the investigative needs of the agency and Satamatics' commercial interests. Satamatics appreciates the government's agreement to maintain the confidentiality of any information that might be disclosed by Satamatics, including if necessary executing a Non-Disclosure Agreement with Satamatics for that purpose.

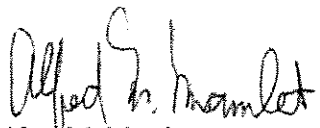


Laura H. Parsky  
October 28, 2004  
Page 3

If you require any additional information, please do not hesitate to contact me.

Thanks, again, for your assistance.

Sincerely,

  
Alfred M. Mamlet

Attachment

cc: Jon D. Pifer (FBI)  
Lou W. Brenner, Jr. (DHS)  
John R. LoGalbo (DOJ, CCIPS)

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www.stepto.com

May 17, 2002

James G. Lovelace  
Supervisory Special Agent, Investigative Law Unit  
Office of the General Counsel  
Federal Bureau of Investigation  
935 Pennsylvania Ave., N.W.  
Washington, D.C. 20535

Re: **Title II and Title III Applications by Richtec Inc.**

Dear Mr. Lovelace:

We would like to thank you and your colleagues from the Justice Department, Amy Jabloner and John LoGalbo, for meeting with us on February 20, 2002. Our client, Richtec Inc. ("Richtec"), is an U.S. company that has filed applications at the Federal Communications Commission to offer Inmarsat D+ service in the United States. Richtec's U.K. affiliate, Satamatics Ltd., will act as Richtec's agent in selling this service to application service providers.<sup>1</sup>

We requested the meeting to provide the government advance notice of Richtec's proposed filings. However, it is our impression that the service is unlikely to raise significant national security or law enforcement concerns for the government.

As we mentioned, the D+ service is a very low speed, low capacity, data-only service. The service is limited to extremely slow data rates – approximately 20 bits/sec. (By comparison, a traditional dial-up modem over a regular phone line supports up to 56,000 bits/sec.). The service is also limited to very small data packets. Packets from a D+ terminal are limited to 8 bytes; while packets to a terminal are limited to 250 bytes. In reality, however, because of the service's high cost and slow data rate, "to terminal" messages, at present, are averaging 8 bytes in length. The largest such packets are 12 bytes (used in a fishing application).

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<sup>1</sup> Both Richtec Inc. and Satamatics Ltd. are wholly-owned subsidiaries of Richtec PLC, a company incorporated under the laws of England and Wales.

James G. Lovelace  
May 17, 2002  
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Because of their small size, the packets are used for extremely simple commands and reports. For example, an end user might send a brief software command, meaning that the terminal should report on the status of a valve, to which the terminal might send a response with the value "1," meaning that the "valve is open." The packets are too small for text messaging, like e-mail. In text messaging, each byte is equal to approximately 1 character. Thus, 250 bytes are equal to roughly 250 characters, with spaces, or approximately three lines of text (not including any addressing headers). By way of comparison, a standard SMTP e-mail – with its routing header and two lines of text – requires approximately 400 bytes.

Another important limitation of the D+ service is that the terminals require an unobstructed line-of-sight with the Inmarsat satellites that support this service. Thus, the terminals cannot be used in buildings (or in any other location where their line-of-sight with the satellites is disrupted).

Because of the limited data rate and small size of the data packets (as well as its line-of-sight restriction), the D+ service is best used for remote monitoring, tracking and control applications. For example, a terminal might be attached to an oil pipeline to report whether a valve is open. Other current uses of the service include tracking (for example, a shipping company could attach terminals to their shipping containers to monitor their latitude and longitude) and commercial fishing (where a fishing fleet could use the terminals to evaluate which ships had the best catch performance).

The terminals are not sold by Satamatics to individual customers as an off-the-shelf, retail product. Instead, the service is only sold through application service ("ASP") providers, who develop special, value-added software applications for use with the terminal. The terminals are typically sold in batches of 100 to 1,000. For example, an ASP might develop a software program for the remote monitoring of the pressure in oil pipeline valves. The ASP would then resell several hundred terminals, along with this specialized software, to a large pipeline company. Similarly, another ASP might develop special tracking software and sell its service to large shipping companies. As a result, the D+ service is targeted at large industrial companies in vertical markets, like oil pipeline and exploration companies, shipping companies, and large commercial fishing fleets. For example, outside the United States, these services have been sold to Zunibal of Balboa, Spain for the tuna fishing industry, to Nexgen of Bombay, India for tracking trucks, and to Vector of Campinas, Brazil for monitoring water quality in rivers and water distribution systems.

The system employs the Inmarsat satellite network. Data packets to or from a terminal are routed through land earth stations in the United Kingdom and New Zealand operated by Stratos Communications. (Only the two Stratos land earth stations and a land earth station in the Netherlands, operated by Xantic, are capable of providing Inmarsat D+ service). The Stratos earth stations only provide facilities for transmission and reception of radio signals and space and power for the "service gateways," which were built and are owned, operated and maintained by

James G. Lovelace  
May 17, 2002  
Page 3

Satamatics. The gateways modulate and demodulate the satellite signals, code and decode the packets, and process the packets for transfer via router to the Satamatics Message Handling System ("MHS") located in a secure facility in London. The MHS in turn routes the packets to the server of the appropriate ASP, which in turn forwards the packets to the end user.

Given the limited data rate and packet size of the service, as well as the nature of its customers and targeted uses, it is doubtful the government will ever need to conduct a surveillance on the D+ service. However, in the unlikely event that the government does need to monitor a particular U.S. terminal, Richtec would be willing to provide reasonable assistance to the government in conducting such a surveillance. Specifically, in the event the government obtains a wiretap order to monitor traffic to or from a U.S. terminal, Richtec would be willing to make a network modification so that *all* packet traffic to or from all U.S. terminals would be copied by the MHS and forwarded to a U.S. Service Gateway (a mirror MHS) in the United States, controlled by Richtec Inc., where the government could serve its court order and extract the packets for which it is entitled to have access. The mirror MHS would be located in Ocala, Florida, Richtec Inc.'s corporate headquarters. The government would be able to search for all packets with the Inmarsat Service Number ("ISN") assigned to the intercept subject's terminal.

Richtec would initiate this network modification by instructing Satamatics Ltd. to route all packets to or from U.S. terminals through the U.S. Service Gateway rather than directly to or from ASPs in the United States. The U.S. Service Gateway would be the U.S. point of presence through which all packets to or from U.S. terminals would pass. Satamatics employees would not necessarily know that the requested network routing change was being made in order to conduct an electronic surveillance. Moreover, by establishing an U.S. Service Gateway for all U.S. terminal traffic, Satamatics employees would not know which particular terminal was the subject of a government surveillance. The network routing change would not be apparent to end users.

Richtec Inc.'s applications to the Federal Communications Commission only pertain to the Inmarsat D+ service. If, in the future, Richtec Inc. were to decide to offer another service in the United States, it would, of course, have to file a new application with the FCC to offer that service. Richtec Inc. is willing to notify the Justice Department of any such future application to offer a new service in the United States.

We hope that this information is helpful to the government. As Richtec Inc. noted previously, it is willing to take all reasonable measures to assist and support the FBI or any other United States federal, state or local agency with law enforcement or national security responsibilities in conducting lawfully authorized electronic surveillance. Any such request for assistance should be directed to:

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James G. Lovelace  
May 17, 2002  
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Gerald Gutman  
President, Richtec Inc.  
3300 S.W. 34th Avenue  
Suite 104  
Ocala, FL 34474

Tel. (352) 207-4874  
Fax (352) 402-0236  
gerry@richtec-us.com

Such assistance shall include, but not be limited to, disclosure if necessary of technical and engineering information relating to the design, maintenance or operation of Richtec Inc.'s system. Richtec Inc. and the agency seeking Richtec Inc.'s cooperation will work together in determining what is reasonable, taking into account the investigative needs of the agency and Richtec Inc.'s commercial interests. Richtec Inc. appreciates the government's agreement to maintain the confidentiality of any information that might be disclosed by Richtec Inc., including if necessary executing a Non-Disclosure Agreement with Richtec Inc. for that purpose.

If you require any additional information, please do not hesitate to contact us. Enclosed is a copy of the slides that we presented at our meeting.

Thanks, again, for your assistance.

Sincerely,



Alfred M. Mamlet  
L. Benjamin Ederington

encl.

cc (w/ encl.): Amy Jabloner (Department of Justice, OEO)  
John LoGalbo (Department of Justice, CCIPS)

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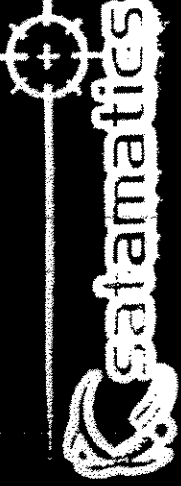
## Remote Asset Monitoring

- Monitoring and control of remote, fixed assets
- Benefits: reduced costs and improved performance for end customer
- Ideally suited to remote, unmanned operations



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# Remote Monitoring and SCADA



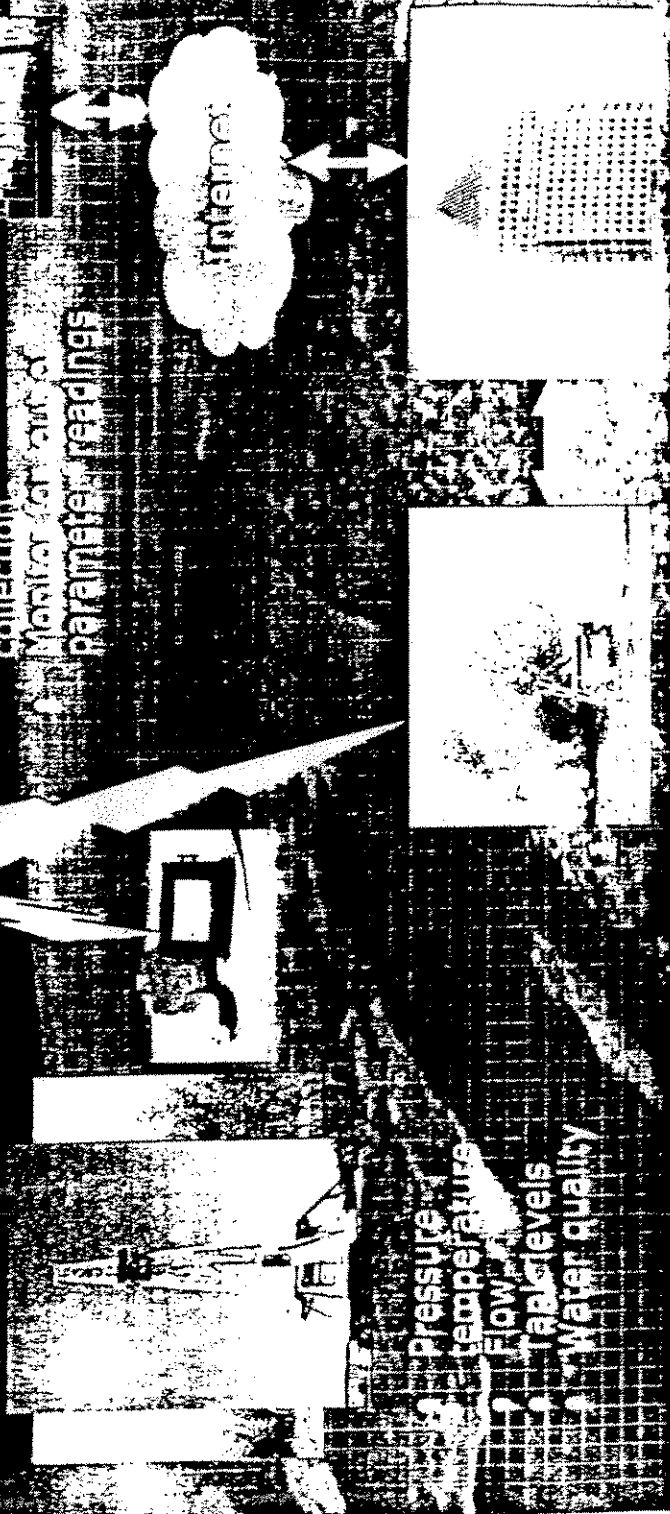
HEADQUARTERS

## BENEFITS

- Reduced labour
- Prioritised maintenance
- Optimised production
- Efficient use of crude

Collection  
Monitor for any  
parameter readings

REMOTE LOCATION EQUIPMENT  
PERFORMANCE, CONTROL AND STATUS



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# Business Structure



Inmarsat

Satamatics

Stratos



Infrastructure  
Terminals  
Airtime  
Application support

Application  
Installation  
End user support

ASPs

End Users



Regional  
Partners

ASPs

End Users

Local regional  
content  
Distribution  
Application support

Application  
Installation  
End user support