

Before the
Federal Communications Commission
Washington, D.C. 20554

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**Policy Branch
International Bureau**

File Nos. SAT-A/O-20000119-00002/18;
SAT-AMD-20000119-00029/41;
SAT-LOA-20000119-00019/28

In the Matter of Applications of:

INTELSAT LLC

For Authority to Operate, and to Further
Construct, Launch, and Operate C-band
and Ku-band Satellites that Form a
Global Communications System in
Geostationary Orbit

PROGRESS REPORT

In an order adopted on September 28, 2001 and released on October 5, 2001, the Federal Communications Commission (the "FCC" or the "Commission") granted a request by Intelsat LLC to extend until December 31, 2002 the October 1, 2001 deadline set forth in the Open-Market Reorganization for the Betterment of International Telecommunications Act (the "ORBIT Act") for Intelsat, Ltd. to conduct an initial public offering of its equity securities (an "IPO").¹ In its Extension Order, the Commission required Intelsat to "file reports on a six-month basis demonstrating due diligence in pursuing an IPO under the requirements of the [ORBIT] Act."² The Commission further ordered that Intelsat should file these IPO progress reports "on April 1, 2002 and October 1, 2002."³ Intelsat filed such reports on each of the required dates.

¹ *Intelsat LLC Request for Extension of Time Under Section 621(5) of the ORBIT Act*, 16 FCC Rcd 18185 (2001) (Memorandum Opinion and Order) ("*Extension Order*"). All Intelsat entities shall be referred to herein collectively as "Intelsat."

² *Id.*, 16 FCC Rcd at 18190.

³ *Id.* at 18191.

As Intelsat noted in its second report, in the latter portion of the third quarter of 2002, Congress passed a bill to amend the Communications Satellite Act of 1962 to extend the deadlines by which Intelsat must conduct its IPO.⁴ Specifically, Intelsat now must conduct its IPO by December 31, 2003, unless the Commission extends the deadline until June 30, 2004 in consideration of market conditions and relevant business factors. Although not specifically required to do so, Intelsat files this report to continue to keep the Commission apprised of its progress toward conducting an IPO.

Intelsat continues to make progress toward conducting an IPO by the December 31, 2003 deadline. In January 2003, Intelsat completed its exchange offer for debt issued by the company. Intelsat is thus now subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act").⁵

Intelsat believes that being subject to the information reporting requirements of the Exchange Act should facilitate Intelsat's return to the market when conditions improve. Intelsat is required as a foreign private issuer to file with the U.S. Securities and Exchange Commission (the "SEC") an annual report on Form 20-F within six months after the end of each fiscal year. Intelsat has recently filed its first such report.⁶ The updating of Intelsat's disclosure for filing with the SEC should facilitate the preparation and filing of Intelsat's IPO registration statement.

Unfortunately, market conditions generally, and in the fixed satellite services (the "FSS") sector specifically, have remained depressed. Over the past year, for example, the share prices of FSS operators that compete with Intelsat have fallen drastically. From the end of February 2002 through the end of February 2003, SES Global, PanAmSat, and

⁴ Pub. L. No. 107-233, 116 Stat. 1480 (2002).

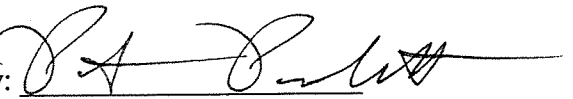
⁵ 15 U.S.C. § 78a; 48 Stat. 881.

⁶ Filed on Mar. 28, 2003 and available on the EDGAR database at www.sec.gov.

company, Telkom SA Ltd. of South Africa, has investors who have “seen the value of their shares hardly budge from where they stood on the first day of trading.”¹⁵ All but one of the IPOs through mid-March closed below their IPO prices on the first day.¹⁶ As a result of these developments, Intelsat's financial advisors have continued to recommend that it delay moving forward with an IPO until market conditions are more favorable.

Respectfully submitted,

Intelsat LLC

By: 

Bert W. Rein
Patricia J. Paoletta
Jennifer D. Hindin
Wiley Rein & Fielding LLP
1776 K Street, N.W.
Washington, DC 20006-2304
202.719.7000
Its Attorneys

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¹⁵ *Id.*

¹⁶ *Id.*

EXHIBIT 1

War, economy, flatten a battered IPO market

by Francis McMorris

There have been precious few debuts at the initial public market ball this year. Greenwich, Conn.-based research firm Renaissance Capital utters the obvious: "The year 2003 is starting off as one of the worst years in IPO history." And a war may still be coming.

A mere quarter of companies in the United States and one from South Africa have ventured forth as new issues compared with 18 for the first three months of a hardly inspiring 2002. These IPOs aren't giving the kind of first-day returns their counterparts of the high-flying tech boom did three years ago. Of course, many of those tech IPOs crashed and burned and are now having salt rubbed in their wounds through shareholder litigation.

But are these newest IPOs still pretty good investments?

"Right now, the market's response to the class of 2003 has been disappointing," said Ben Holmes of Morningnotes.com, a Boulder, Colo.-based research firm. "It's basically flat."

Perhaps the one bright spot was a non-traditional IPO from New Jersey banking company Provident Financial Services Inc. Certainly, that company is giving investors their money's worth. On the company's first day of trading Jan. 16, Provident's shares shot up by 53%.

As of Wednesday, the stock price was still hovering near that figure. The buyers were Provident's employees and current depositors in this \$518 million deal.

Infinity Property and Casualty Corp. was up 2.81% Wednesday over its offer price from the first day of trading in February for its \$198 million IPO.

From overseas, South Africa's state-owned **Telkom SA Ltd.** raised less than the government originally had hoped. Investors in this \$486.6 million IPO have seen the value of their shares hardly budge from where they stood on the first day of trading.

The performance of other IPOs can only give investors hope that there are profits over the long haul. Consider the

IPOs in 2003		1/6	2/12	2/14	2/28	3/4
Company	Value	1st Day %	1st Day %	1st Day %	1st Day %	1st Day %
Provident Financial Services Inc.	\$1000	53.25	15.24	15.45	128	31.46
Infinity Property and Casualty Corp.	1500	2.81	7.95	1.625	1.625	1.625
Accredited Home Lenders Holding Co.	800	8.00	7.95	1.625	1.625	1.625
Endurance Specialty Holdings Ltd.	2100	22.01	22.95	-0.21	-0.21	-0.21
Telkom SA Ltd. (shares in rand)	1250	14.10	11.84	1.843	1.843	1.843

\$772 million offering from Accredited Home Lenders Holding Co. and the \$220.8 million deal from Hamilton, Bermuda-based insurer Endurance Specialty Holdings Ltd. Both companies saw their share prices down fractionally Wednesday.

On average, four of the deals, excluding Provident, were priced below their initial price ranges. Renaissance Capital noted. Although those IPOs "were offered at a 20% discount on average, investors bailed out shortly after takeoff," the research firm said. "As a result, three of the four deals closed below their IPO prices on the first day, and only one IPO, Endurance Specialty Holdings, managed to close flat."

The problem with the IPO market, Holmes said, is this same for the broader markets—Iraq. "We left December with Iraq and came into January with Iraq. Everyone was hoping that we would have a resolution within the first few weeks." Three months later, war with Iraq appears imminent, but the timing is still uncertain. "The IPO market is absolutely held hostage to this [threat of] war."

All this makes 2002's dismal IPO market—hammered by the accounting scandal at Enron Corp. and the bankruptcies of several companies including Kmart Corp.—look remarkably robust.

Last year, investors sank money into the \$1.9 billion spinoff by Citigroup Inc.'s insurance unit, Travelers Property Casualty Corp. That deal eclipses any of the IPOs completed so far this year. "The first quarter of 2002 was where everyone made their money," Holmes said.

In retrospect, "It was pretty damn good compared to right now." ■

EXHIBIT 2

THE WALL STREET JOURNAL.

Article 1 of 6

Deals & Deal Makers: The Pipeline / Securities Offering Calendar

02/10/2003

The Wall Street Journal

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IPOs scheduled for this week, in roughly the order expected. After a barren January, in which no initial public offerings were issued in the U.S. -- the first time that happened since 1974 -- this week may see the first new stocks of the year, markets permitting.

Issuer (symbol)/Headquarters -- Bancshares of Florida/(BOFL) Naples, Fla.

Business -- Commercial bank

Price Range -- \$10

Shares Expected (in millions) -- 0.9

Lead Manager -- Advest

Issuer (symbol)/Headquarters -- Accredited Home Lenders/(LEND) San Diego, Calif.

Business -- Nationwide mortgage-banking

Price Range -- \$9-\$11

Shares Expected (in millions) -- 9.65

Lead Manager -- Friedman, Billings, Ramsey

Issuer (symbol)/Headquarters -- Infinity Property & Casualty/(IPCC) Birmingham, Ala

Business -- Provides personal automobile insurance

Price Range -- \$18-\$20

Shares Expected (in millions) -- 12.378

Lead Manager -- CSFB, Merrill Lynch

Issuer (symbol)/Headquarters -- Industrias Innopak SA de CV/(Innopak) Mexico

Business -- Manufactures drink containers

Price Range -- \$20-\$22

Lead Manager -- Deutsche Bank AG, Merrill Lynch

Source: Dealogic

Note: AS of noon Friday

*This is a so-called Rule 144a offering, which is available only to certain qualified investors. No shares will trade in the U.S.

--- This week's IPO Lockup Expirations

Here are companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales are watched because the selling can impact the stock's price.

Feb. 12: WindRose Medical Properties Trust (WRS)

Source: Dealogic

Other Stock and Bond Offerings

Here are other U.S. Treasury, corporate and municipal offerings that