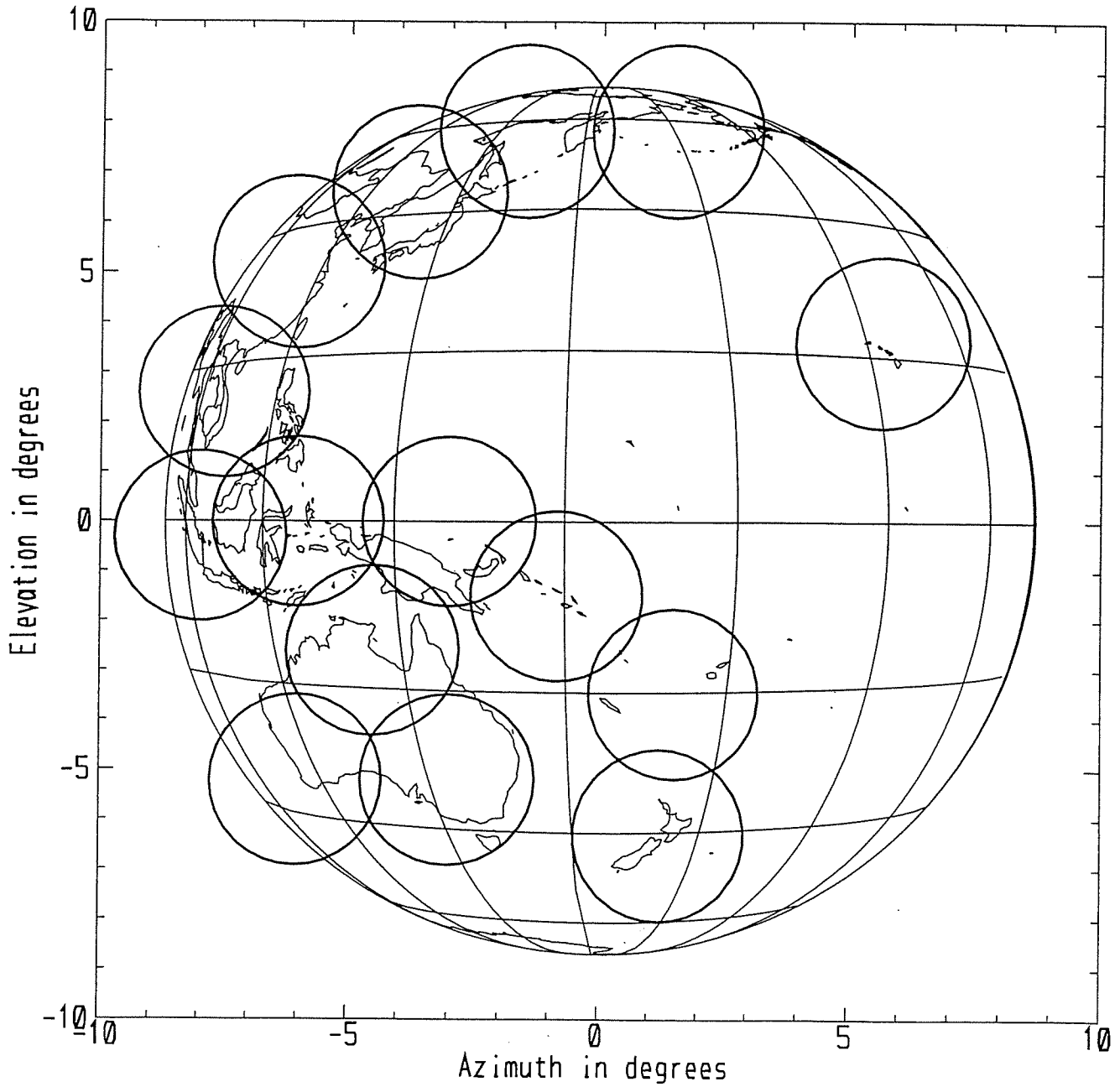


Figure C-10a

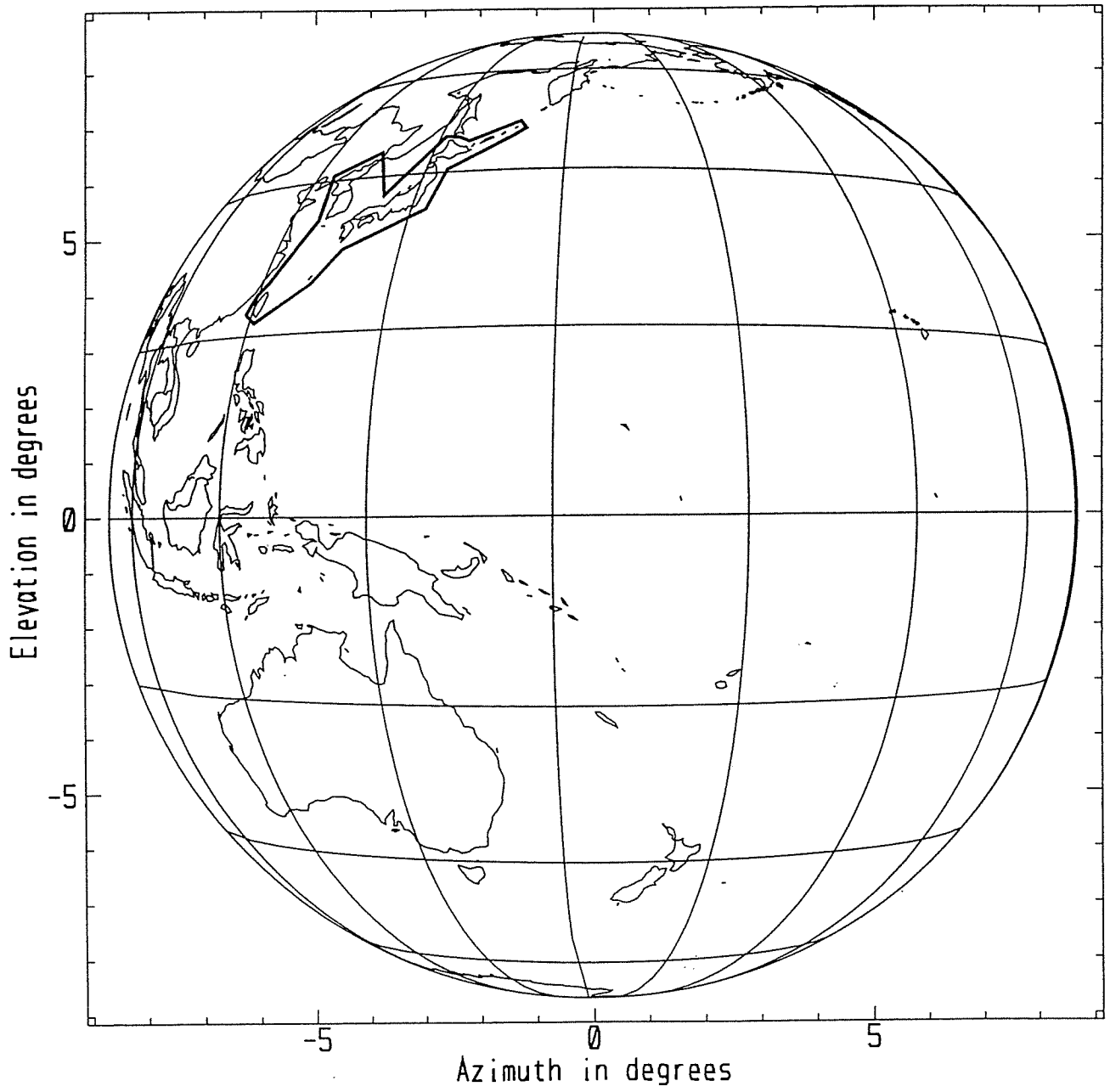
GALAXY/SPACEWAY™
Ka FSS Wide Area Beams at 164° E Longitude



PEAK EIRP= 48 - 55 dBW
LHCP, RHCP

Figure C-10b

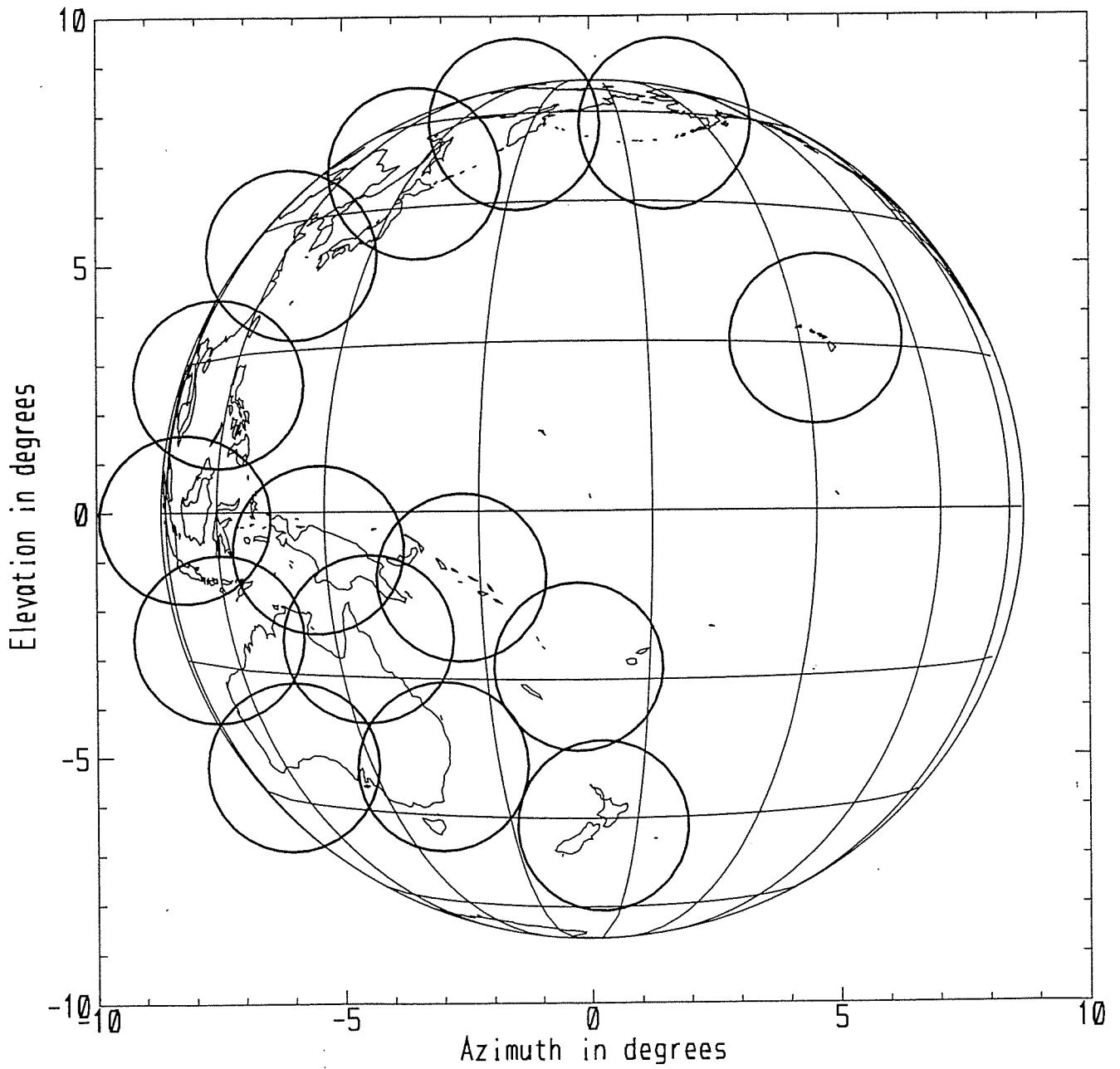
GALAXY/SPACEWAY™
Ku BSS Coverage at 164° E Longitude



PEAK EIRP= 50 - 55 dBW
LHCP, RHCP

Figure C-11a

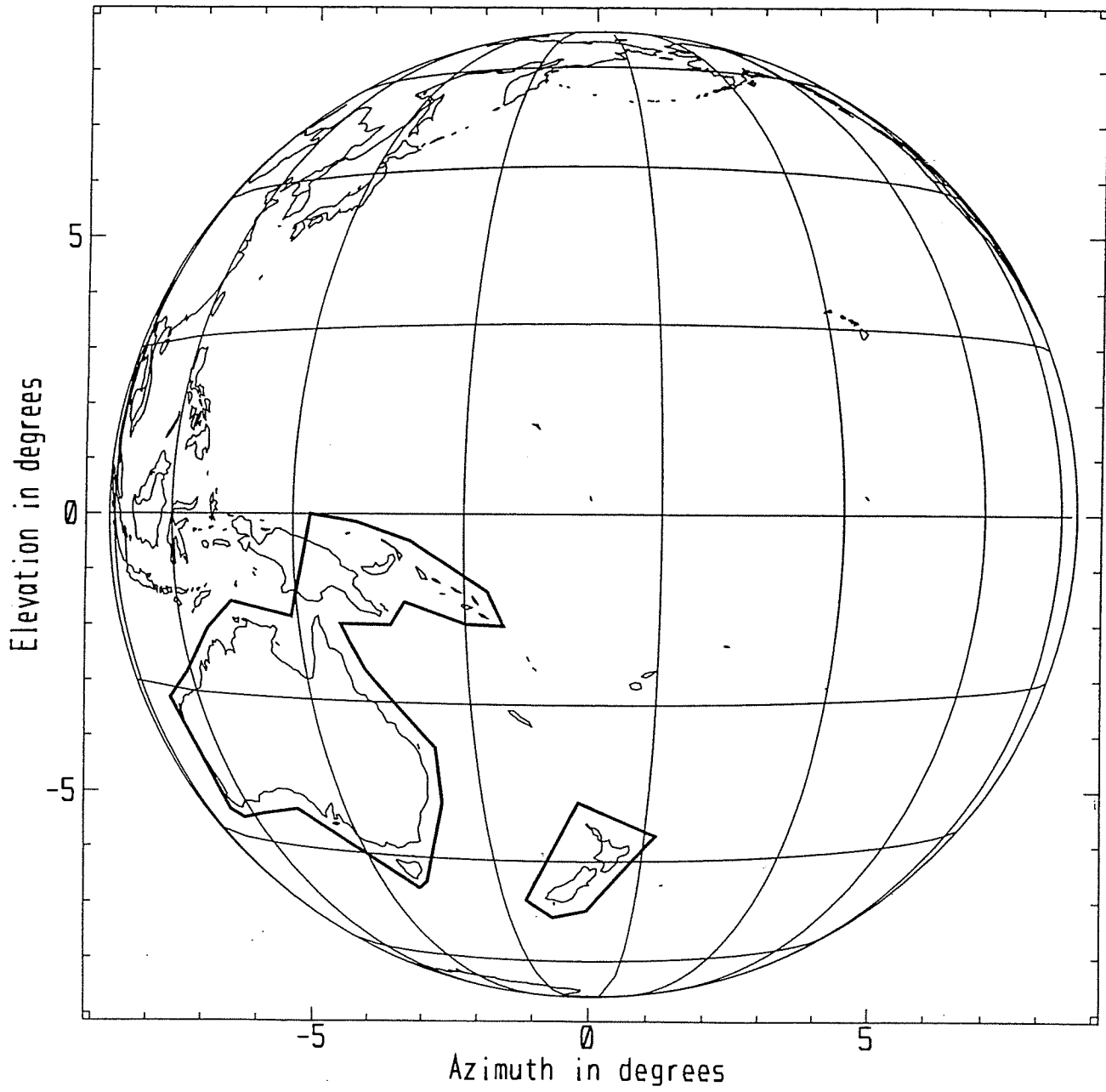
GALAXY/SPACEWAY™
Ka FSS Wide Area Beams at 173° E Longitude



PEAK EIRP= 48 - 55 dBW
LHCP, RHCP

Figure C-11b

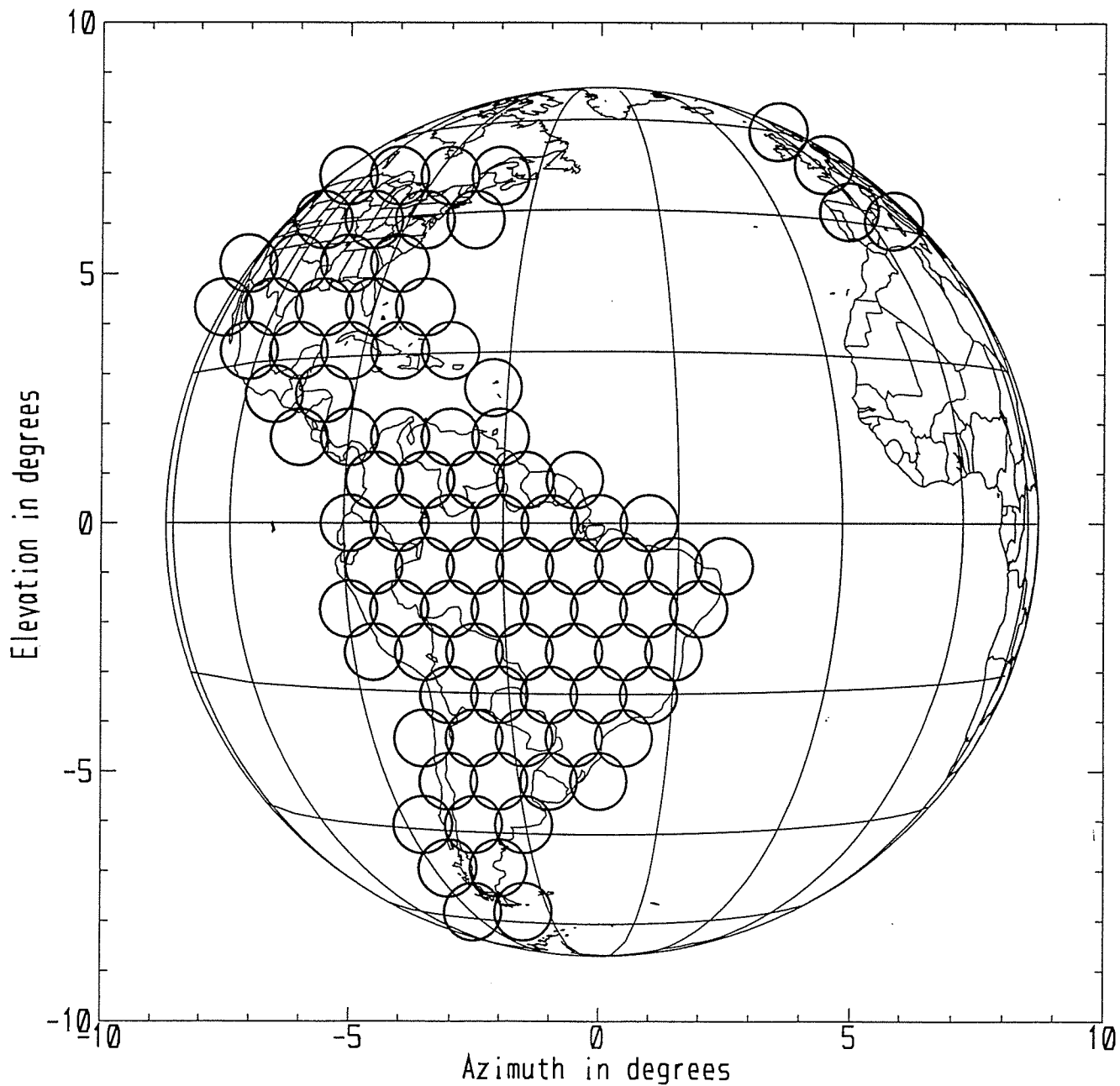
GALAXY/SPACEWAY™
Ku BSS Coverage at 173° E Longitude



PEAK EIRP= 50 - 55 dBW
LHCP, RHCP

Figure C-12a

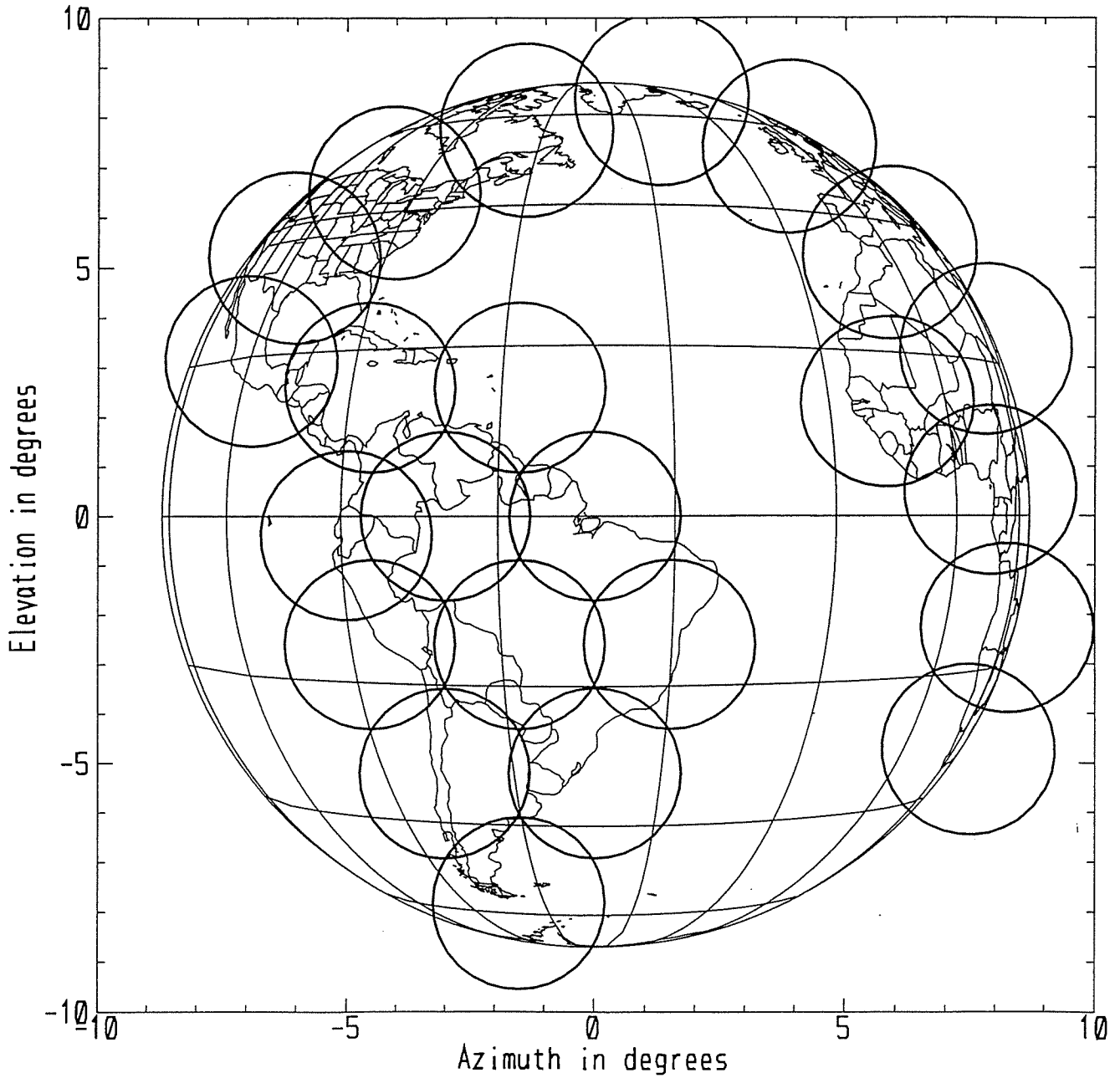
GALAXY/SPACEWAY™
Ka FSS High-Powered Narrow Spot Beams at 49° W Longitude



PEAK EIRP= 48 - 60 dBW
LHCP, RHCP

Figure C-12b

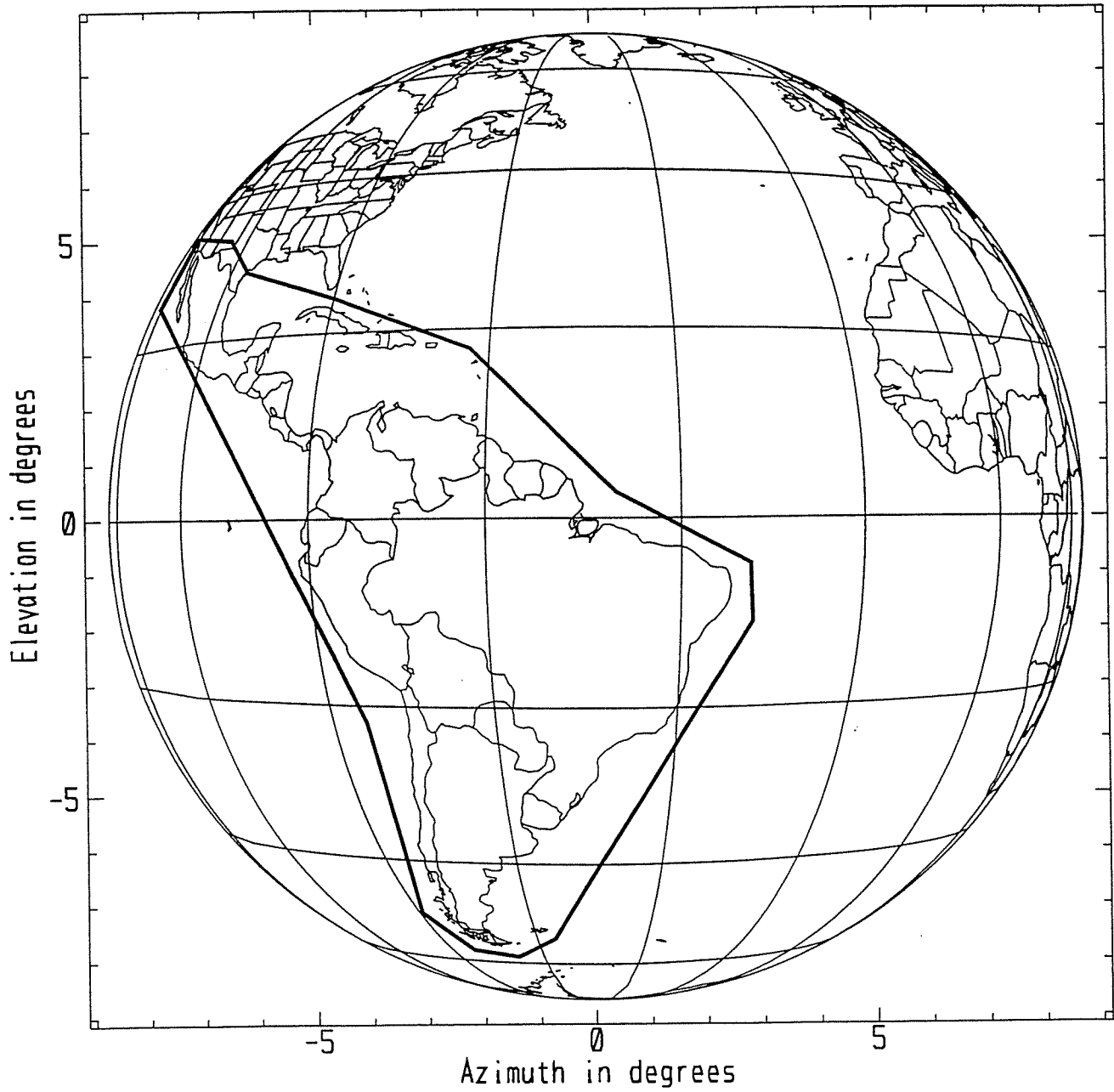
GALAXY/SPACEWAY™
Ka FSS Wide Area Beams at 49° W Longitude



PEAK EIRP= 48 - 55 dBW
LHCP, RHCP

Figure C-12c

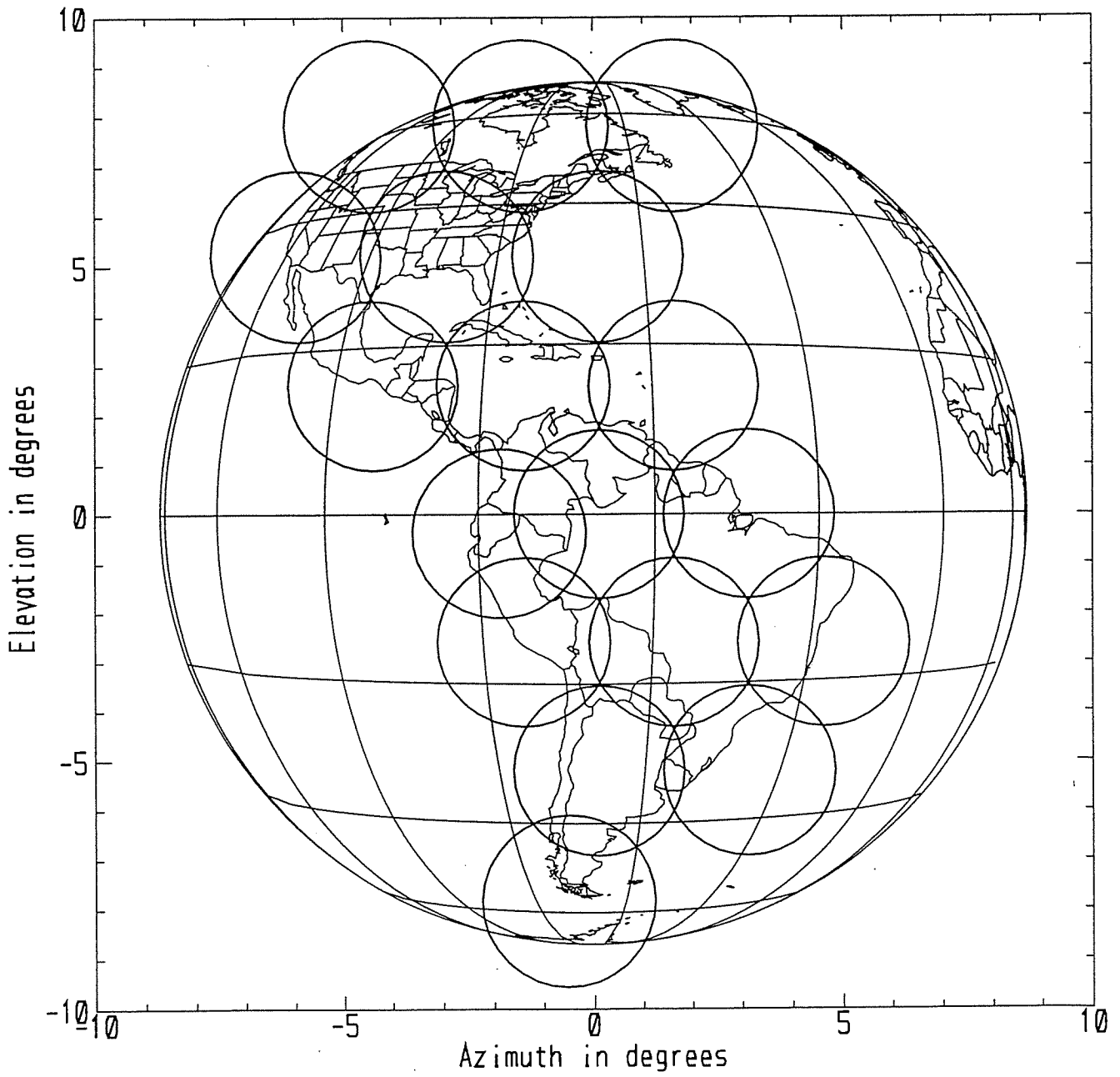
GALAXY/SPACEWAY™
Ku BSS Coverage 49° W Longitude



PEAK EIRP = 50 - 55 dBW
LHCP, RHCP

Figure C-13a

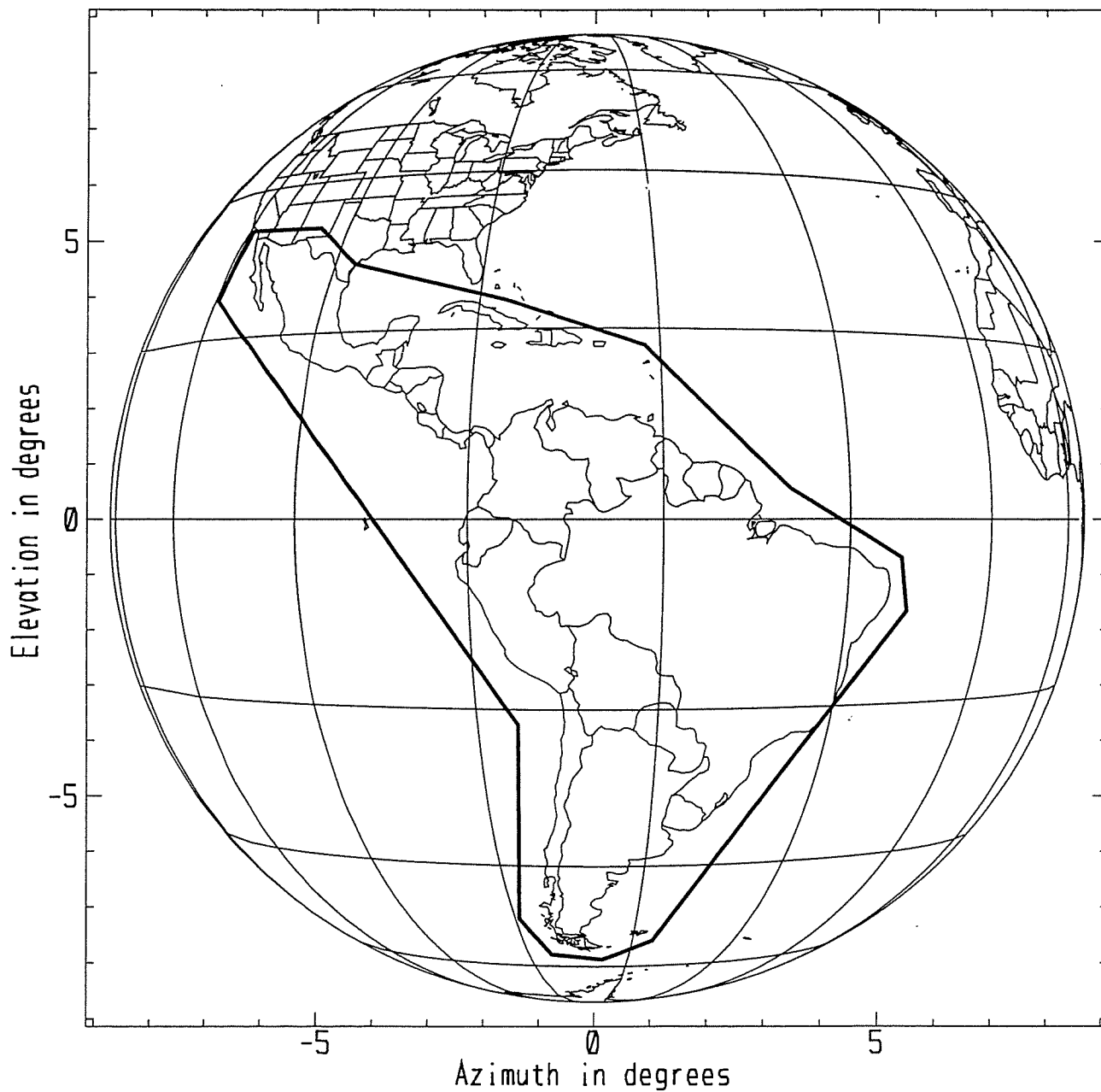
GALAXY/SPACEWAY™
Ka FSS Wide Area Beams at 67° W Longitude



PEAK EIRP= 48 - 55 dBW
LHCP, RHCP

Figure C-13b

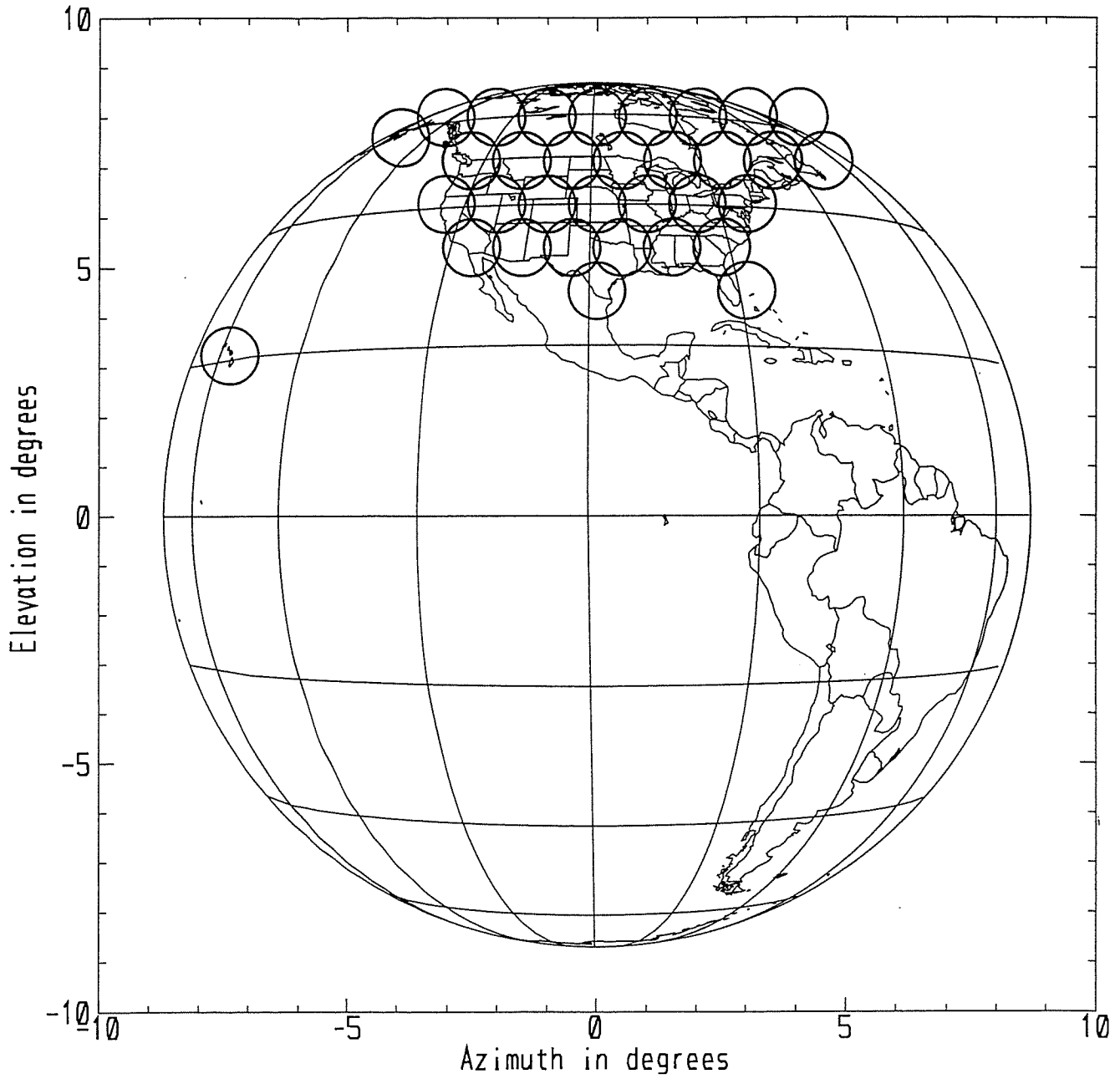
GALAXY/SPACEWAY™
Ku BSS Coverage at 67° W Longitude



PEAK EIRP= 50 - 55 dBW
LHCP, RHCP

Figure C-14a

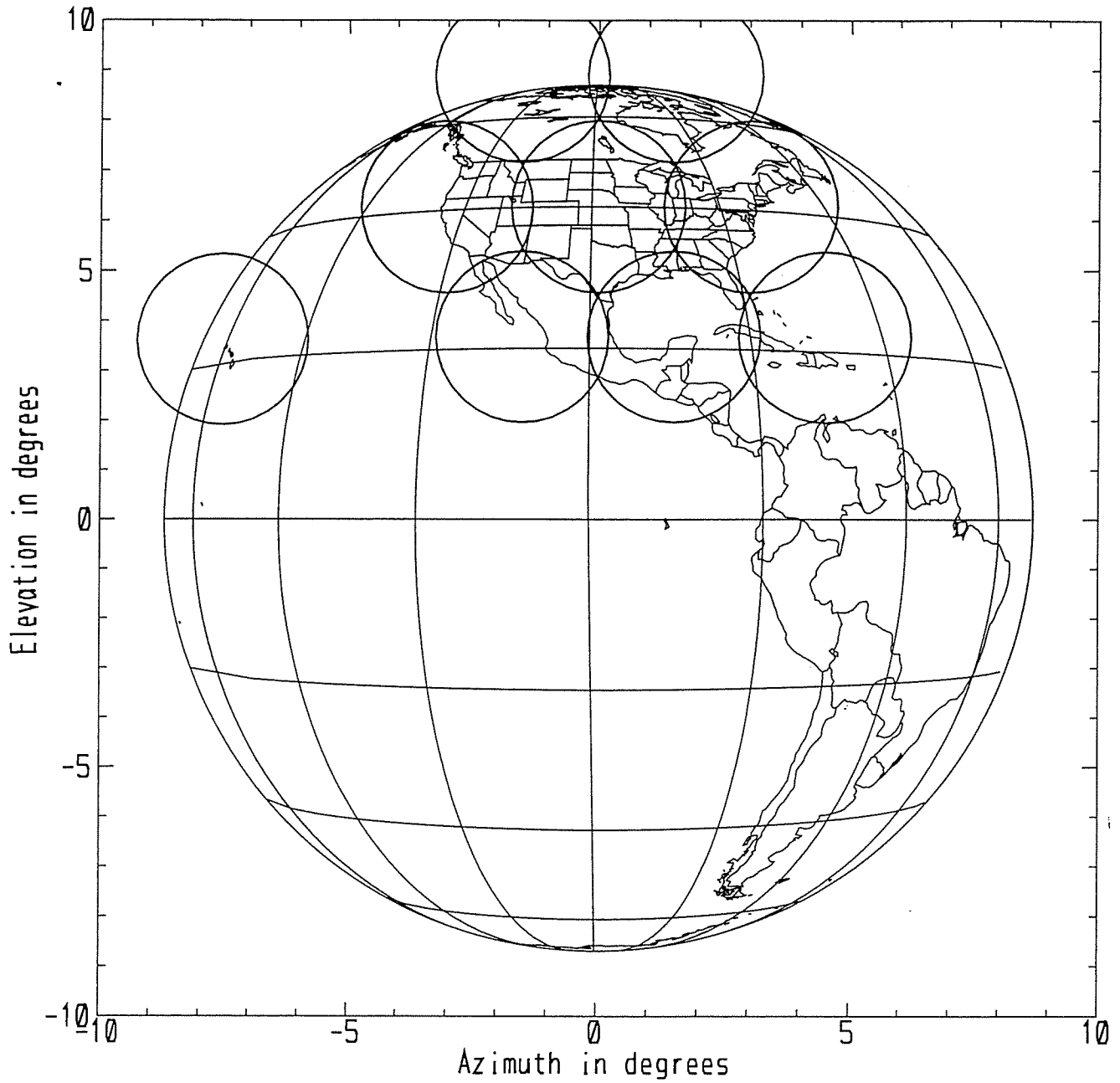
GALAXY/SPACEWAY™
Ka FSS High-Powered Narrow Spot Beams at 99° W Longitude



PEAK EIRP= 48 - 60 dBW
LHCP, RHCP

Figure C-14b

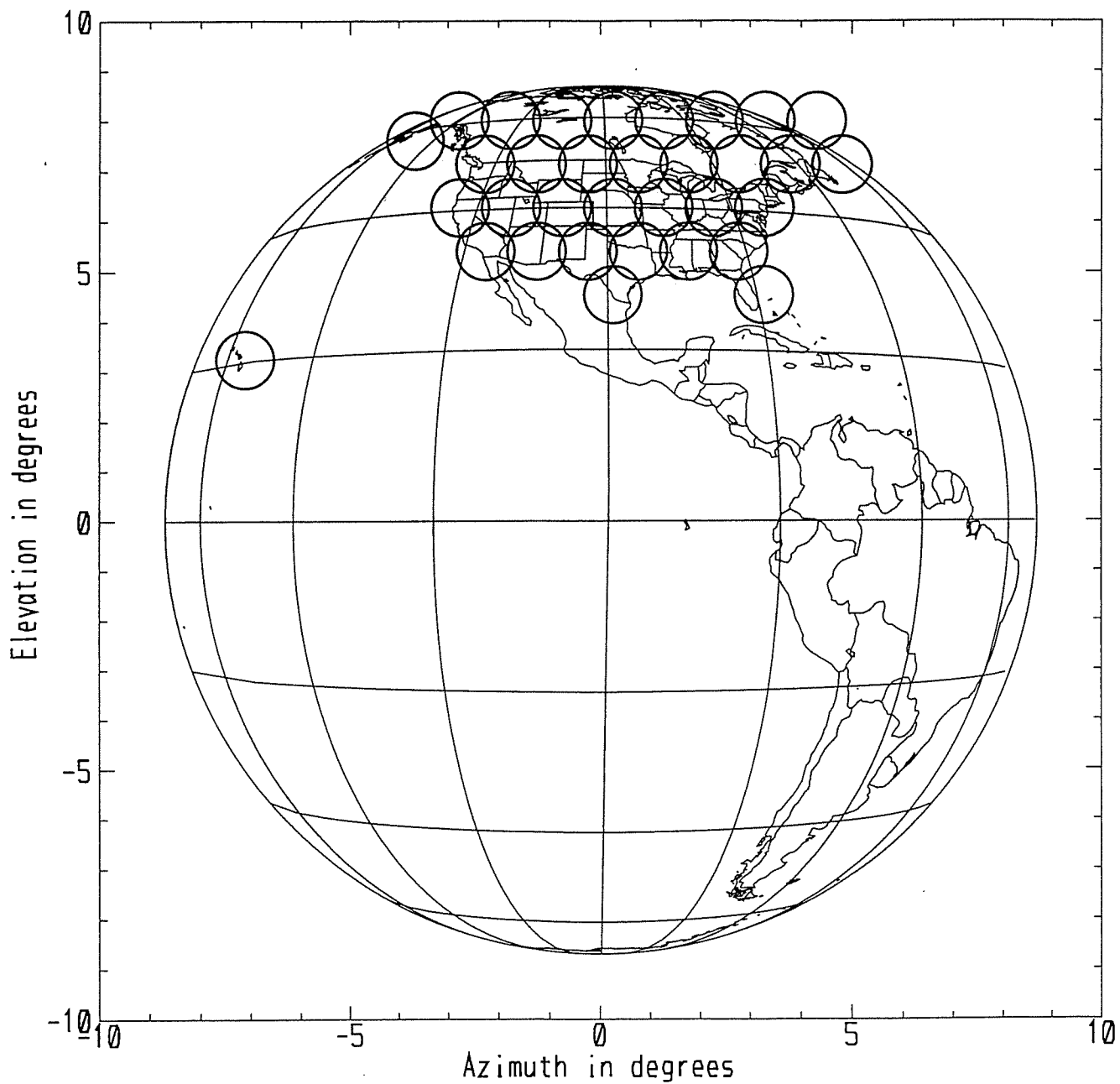
GALAXY/SPACEWAY™
Ka FSS Wide Area Beams at 99° W Longitude



PEAK EIRP= 48 - 55 dBW
LHCP, RHCP

Figure C-15a

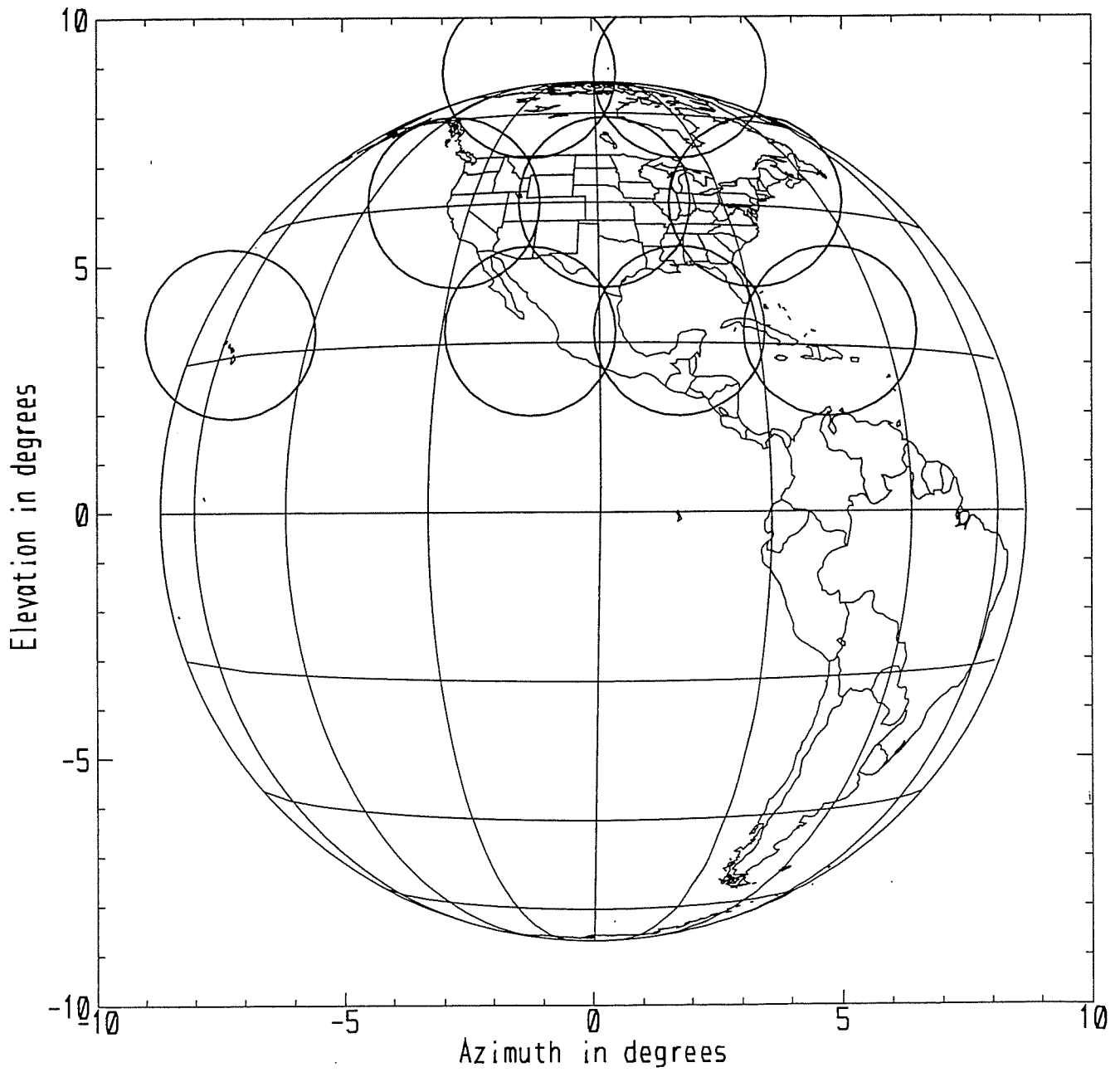
GALAXY/SPACEWAY™
Ka FSS High-Powered Narrow Spot Beams at 101° W Longitude



PEAK EIRP= 48 - 60 dBW
LHCP, RHCP

Figure C-15b

GALAXY/SPACEWAY™
Ka FSS Wide Area Beams at 101° W Longitude



PEAK EIRP= 48 - 55 dBW
LHCP, RHCP

LORAL

Corporation

600 Third Avenue
New York, NY 10016
(212) 697-1105
Telex: 644018

Michael B. Targoff
Senior Vice President

November 14, 1994

Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

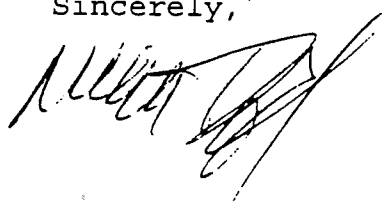
Re: Application of Loral/Qualcomm Partnership,
L.P. for Authority to Construct, Launch and
Operate the Globalstar Satellite System

Dear Sir/Madam:

Reference is made to the application of Loral/Qualcomm Partnership, L.P. ("LQP") for authorization to construct, launch and operate the Globalstar satellite system, and the amendment thereto to be filed by November 16, 1994.

Loral Corporation is aware of the obligation that LQP has undertaken and, absent material changes in circumstances, is prepared to expend the necessary funds, or take all reasonable steps to cause LQP to raise and expend the necessary funds, to construct and launch the 56 satellites, including 8 in-orbit spares, and to operate the satellite system for one year after launch of the first satellite in the constellation.

Sincerely,



MBT/pr



Source: Docs. 2-2/TEMP/1(Rev.6), 2-2/TEMP/8(Rev.2),
2-2/TEMP/9(Rev.4), 2-2/61, 66, 68, 73

Task Group 2/2 - SDG 2/3bid

PRELIMINARY DRAFT NEW RECOMMENDATION

CRITERIA FOR SHARING BETWEEN THE MOBILE-SATELLITE
(SPACE-TO-EARTH) NON-GSO SYSTEMS AND THE FIXED
SERVICE IN THE 1 - 3 GHz FREQUENCY BAND

The ITU-R,

considering

- a) that Resolution Nos. 46, 113, 703, and Recommendation 717 (WARC-92) invited the CCIR to study criteria for sharing and coordination between systems in the mobile-satellite service and the fixed and mobile services;
- b) that the bands 2 170 - 2 200 MHz, 2 483.5 - 2 500 MHz and 2 500 - 2 535 MHz are allocated to the mobile-satellite (space-to-Earth) service and fixed service on a co-primary basis;
- c) that the bands 1 492 - 1 525 MHz, 1 525 - 1 530 MHz and 2 160 - 2 170 MHz are allocated to the mobile-satellite (space-to-Earth) service and fixed service in some regions or by some administrations, on a co-primary basis;
- d) that certain bands that are subject to the coordination procedure of Resolution No. 46 (WARC-92), WARC-92 adopted and applied the power-flux-density (pfd) levels of RR 2566 as a coordination threshold for protection of receiving stations in the fixed service from transmitting space stations in the mobile-satellite service;
- e) that the performance of fixed service systems (analogue point-to-point, digital point-to-point, digital point-to-multipoint including local access systems) need to be considered for sharing in the 1 - 3 GHz band;
- f) that the performance of non-GSO MSS systems need to be considered for sharing in the 1 - 3 GHz band;
- g) that multiple non-GSO MSS systems employing CDMA techniques have been proposed to share the frequency spectrum in the space-to-Earth direction, in the 2 483.5 - 2 500 MHz band, on a co-frequency basis;
- h) a specific value of power-flux density (pfd) produced by different non-GSO MSS satellite constellations give rise to different values of fractional degradation of performance (FDP);
- j) that for several decades, systems in the fixed service have been operated by many administrations in the bands newly allocated to the mobile-satellite service;

k) that migration of fixed services to new channeling plans which avoid co-channel sharing will facilitate the implementation of non-GSO MSS systems,

recommends

1 that the following criteria, presented in the table below, shall be used as coordination threshold values between non-GSO MSS downlinks and fixed service systems in the 1 - 3 GHz band. Pfd values are provided to designate protection for analogue systems, and FDP values are provided to designate protection for digital systems.

Frequency Band MHz	Power-flux density (pfd) at angle of arrival δ , in degrees dB(W/m ²)/4 kHz	Fractional degradation of Performance (FDP) (Note 1)
1 492 - 1 525	(to be determined) (Note 2)	[10 - 100%] (Note 3)
1 525 - 1 530	(to be determined) (Note 2)	[10 - 100%] (Note 3)
2 160 - 2 170	(to be determined) (Note 2)	[10 - 100%] (Note 3)
2 170 - 2 200	(to be determined) (Note 2)	[10 - 100%] (Note 3)
2 483.5 - 2 500	-150 for $0^\circ < \delta < 5^\circ$ -150 + 0.85($\delta - 5$) for $5^\circ < \delta < 25^\circ$ -137 for $25^\circ < \delta < 90^\circ$ (Note 4)	[10 - 100%] (Note 3)
2 500 - 2 535	(to be determined) (Note 2)	[10 - 100%] (Note 3)

Note 1 - The method for calculating the FDP for a fixed service network is contained in Recommendation ITU-R F.1108.

Note 2 - The value of pfd to protect analogue systems, per Recommendation 357-3, is to be determined for each band for the non-GSO MSS satellite constellation ~~to be proposed~~ ^{proposed}. Until such time as the new values are available, the pfd values given in RR 2566 will apply.

Note 3 - Recommendation ITU-R F.1094 specifies an FDP value of 10% to a digital fixed service network from other radio services which share frequency allocations on a primary basis. Study Group 9 has considered FDP values of up to 100% for interference studies between the fixed service and non-GSO MSS systems.

Note 4 - The pfd values specified for the 2 483.5 - 2 500 MHz band provide full protection for analogue radio-relay systems using the sharing criteria established by Recommendation ITU-R F.357, for operation with three non-GSO MSS systems employing CDMA techniques.

DECLARATION OF SCOTT B. TOLLEFSEN

I, Scott B. Tollefsen, hereby declare under penalty of perjury that:

1. I am Vice President of Hughes Communications Galaxy, Inc.
2. The foregoing is a true and correct copy of the consolidated financial statement of GM Hughes Electronics Corporation (a parent company of Hughes Communications Galaxy, Inc.) for the year ended December 31, 1994, including the report of Deloitte & Touche LLP, the company's independent certified public accountants, as published in the 1994 annual report of GM Hughes Electronics Corporation.



Scott B. Tollefsen

September 29, 1995

Exhibit J

GALAXY/SPACEWAY™

Consolidated Financial Statements

of

GM Hughes Electronics Corporation

RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

The following consolidated financial statements of GM Hughes Electronics Corporation and subsidiaries were prepared by management which is responsible for their integrity and objectivity. The statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on judgments of management.

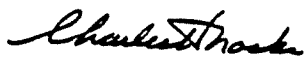
Management is further responsible for maintaining a system of internal accounting controls, designed to provide reasonable assurance that the books and records reflect the transactions of the companies and that its established policies and procedures are carefully followed. Perhaps the most important feature in the system of control is that it is continually reviewed for its effectiveness and is augmented by written policies and guidelines, the careful selection and training of qualified personnel, and a strong program of internal audit.

Deloitte & Touche LLP, an independent auditing firm, is engaged to audit the consolidated financial statements of GM Hughes Electronics Corporation and its subsidiaries and issue reports thereon. The audit is conducted in accordance with generally accepted auditing standards which comprehend the consideration of internal accounting controls and tests of transactions to the extent necessary to form an independent opinion on the financial statements prepared by management. The Independent Auditors' Report appears below.

The Board of Directors, through its Audit Committee, is responsible for assuring that management fulfills its responsibilities in the preparation of the consolidated financial statements and engaging the independent auditors. The Committee reviews the scope of the audits and the accounting principles being applied in financial reporting. The independent auditors, representatives of management, and the internal auditors meet regularly (separately and jointly) with the Committee to review the activities of each, to ensure that each is properly discharging its responsibilities, and to assess the effectiveness of the system of internal accounting controls. It is management's conclusion that the system of internal accounting controls at December 31, 1994 provides reasonable assurance that the books and records reflect the transactions of the companies and that its established policies and procedures are complied with. To ensure complete independence, Deloitte & Touche LLP has full and free access to meet with the Committee, without management representatives present, to discuss the results of the audit, the adequacy of internal accounting controls, and the quality of the financial reporting.



Chairman of the Board and Chief Executive Officer



Senior Vice President and Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

**Deloitte &
Touche LLP**



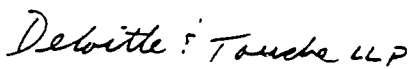
To The Stockholder and Board of Directors of GM Hughes Electronics Corporation:

We have audited the Consolidated Balance Sheet of GM Hughes Electronics Corporation and subsidiaries as of December 31, 1994 and 1993 and the related Statements of Consolidated Operations and Available Separate Consolidated Net Income (Loss) and Consolidated Cash Flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of GM Hughes Electronics Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of GM Hughes Electronics Corporation and subsidiaries at December 31, 1994 and 1993 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, effective January 1, 1994 GM Hughes Electronics Corporation changed its method of accounting for postemployment benefits. Also, as discussed in Notes 1 and 5 to the financial statements, effective January 1, 1992 GM Hughes Electronics Corporation changed its revenue recognition policy for certain commercial businesses and its method of accounting for postretirement benefits other than pensions.



Los Angeles, California

January 30, 1995

**STATEMENT OF CONSOLIDATED OPERATIONS AND
AVAILABLE SEPARATE CONSOLIDATED NET INCOME (LOSS)**

(Dollars in Millions Except Per Share Amounts)

	Years Ended December 31,		
	1994	1993	1992
Revenues			
Net sales			
Outside customers			
General Motors and affiliates (Note 2)	\$ 9,108.7	\$ 9,062.8	\$ 8,267.6
Other income - net	4,953.6	4,387.4	3,901.4
Total Revenues	37.1	67.3	128.1
Costs and Expenses	14,099.4	13,517.5	12,297.1
Cost of sales and other operating charges, exclusive of items listed below (Note 2)			
Selling, general, and administrative expenses	10,943.4	10,557.5	9,602.9
Depreciation and amortization	1,018.3	929.1	1,036.2
Amortization of GM purchase accounting adjustments related to Hughes (Note 1)	470.2	503.5	487.1
Interest expense - net	123.8	123.8	123.8
Special provision for restructuring (Note 12)	15.1	33.2	60.6
Total Costs and Expenses	-	-	1,237.0
Income (Loss) before Income Taxes	12,570.8	12,147.1	12,547.6
Income taxes (credit) (Note 6)	1,528.6	1,370.4	(250.5)
Income (Loss) before cumulative effect of accounting changes	572.8	572.6	(77.2)
Cumulative effect of accounting changes (Notes 1 and 5)	955.8	797.8	(173.3)
Net Income (Loss)	(30.4)	-	(872.1)
Adjustments to exclude the effect of GM purchase accounting adjustments related to Hughes (Note 7)	925.4	797.8	(1,045.4)
Earnings (Loss) Used for Computation of Available Separate Consolidated Net Income (Loss)	123.8	123.8	123.8
Available Separate Consolidated Net Income (Loss) (Note 7)	\$ 1,049.2	\$ 921.6	(\$ 921.6)
Average number of shares of General Motors Class H Common Stock outstanding (in millions) (Numerator)	92.1	88.6	75.3
Class H dividend base (in millions) (Denominator)	399.9	399.9	399.9
Earnings (Loss) Attributable to General Motors Class H Common Stock on a Per Share Basis (Note 7)	\$ 241.6	\$ 204.5	(\$ 142.3)
Before cumulative effect of accounting changes			
Cumulative effect of accounting changes (Notes 1 and 5)	\$2.70	\$2.30	(\$0.11)
Net earnings (loss) attributable to General Motors Class H Common Stock	(0.08)	-	(2.18)
	\$2.62	\$2.30	(\$2.29)

Reference should be made to the Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

(Dollars in Millions Except Per Share Amount)

ASSETS	December 31,	
	1994	1993
Current Assets		
Cash and cash equivalents (Note 1)	\$ 1,501.8	\$ 1,008.7
Accounts and notes receivable		
Trade receivables (less allowances)	1,039.5	736.7
General Motors and affiliates (Note 2)	153.9	404.1
Contracts in process, less advances and progress payments of \$2,311.2 and \$2,739.2	2,265.4	2,376.8
Inventories (less allowances) (Note 1)	1,087.9	1,060.4
Prepaid expenses, including deferred income taxes of \$89.0 and \$36.7	195.1	127.6
Total Current Assets	6,243.6	5,714.3
Property - Net (Notes 8 and 9)	2,611.8	2,634.4
Telecommunications and Other Equipment, net of accumulated depreciation of \$198.0 and \$150.2	1,071.7	767.6
Intangible Assets, net of amortization of \$1,276.7 and \$1,144.6 (Note 1)	3,271.3	3,374.4
Investments and Other Assets, including deferred income taxes of \$214.0 and \$203.7 - principally at cost (less allowances)	1,652.1	1,626.4
Total Assets	\$ 14,850.5	\$ 14,117.1
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Accounts payable		
Outside	\$ 779.9	\$ 717.1
General Motors and affiliates (Note 2)	80.5	117.5
Advances on contracts	645.1	660.6
Notes and loans payable (Note 9)	125.7	77.8
Income taxes payable (Note 6)	31.4	102.1
Accrued liabilities (Note 10)	1,885.5	1,874.0
Total Current Liabilities	3,548.1	3,549.1
Long-Term Debt and Capitalized Leases (Note 9)	353.5	416.8
Postretirement Benefits Other Than Pensions (Note 5)	1,541.4	1,446.3
Other Liabilities, Deferred Income Taxes, and Deferred Credits	1,431.7	1,376.8
Stockholder's Equity (Note 11)		
Capital stock (outstanding, 1,000 shares, \$0.10 par value) and additional paid-in capital	6,326.5	6,323.1
Net income retained for use in the business	1,743.6	1,138.2
Subtotal	8,070.1	7,461.3
Minimum pension liability adjustment	(76.1)	(120.4)
Accumulated foreign currency translation adjustments	(18.2)	(12.8)
Total Stockholder's Equity	7,975.8	7,328.1
Total Liabilities and Stockholder's Equity	\$ 14,850.5	\$ 14,117.1

Reference should be made to the Notes to Consolidated Financial Statements.

STATEMENT OF CONSOLIDATED CASH FLOWS

(Dollars in Millions)

	Years Ended December 31,		
	1994	1993	1992
Cash Flows from Operating Activities			
Income (Loss) before cumulative effect of accounting changes	\$ 955.8	\$ 797.8	(\$ 173.3)
Adjustments to reconcile income (loss) before cumulative effect of accounting changes to net cash provided by operating activities			
Depreciation and amortization	470.2	503.5	487.1
Amortization of GM purchase accounting adjustments related to Hughes	123.8	123.8	123.8
Special provision for restructuring	-	-	1,237.0
Pension expense (credit), net of cash contributions	20.3	(25.6)	(137.7)
Provision for postretirement benefits other than pensions, net of cash payments	78.4	91.0	78.7
Net (gain) loss on sale of property	14.3	36.1	(18.0)
Net gain on sale of investments and businesses	(3.6)	(50.3)	-
Change in deferred income taxes and other*	(60.1)	207.1	(350.2)
Change in other operating assets and liabilities			
Accounts receivable	(238.1)	(153.7)	161.9
Contracts in process*	111.4	70.9	46.6
Inventories*	(27.5)	104.6	26.8
Prepaid expenses	(15.2)	3.4	(10.0)
Accounts payable	25.8	81.5	63.2
Income taxes*	(70.7)	30.1	(54.5)
Accrued and other liabilities*	(28.2)	(143.5)	(49.2)
Other*	20.2	(183.2)	(232.8)
Net Cash Provided by Operating Activities	1,376.8	1,493.5	1,199.4
Cash Flows from Investing Activities			
Investment in companies, net of cash acquired	(7.0)	(149.3)	(69.9)
Expenditures for property and special tools	(490.5)	(448.9)	(456.9)
Increase in telecommunications and other equipment	(351.9)	(230.3)	(71.6)
Proceeds from disposal of property	90.6	115.0	108.4
Proceeds from sale of investments and businesses	3.6	281.6	-
Proceeds from sale and leaseback of satellite transponders	-	-	314.8
Increase (increase) in notes receivable	206.9	7.6	(45.2)
Net Cash Used in Investing Activities	(548.3)	(424.3)	(220.4)
Cash Flows from Financing Activities			
Net decrease in notes and loans payable	(2.1)	(189.4)	(525.8)
Increase in long-term debt	7.5	84.0	236.0
Increase in long-term debt	(20.8)	(369.8)	(46.8)
Cash dividends paid to General Motors	(320.0)	(288.0)	(288.0)
Net Cash Used in Financing Activities	(335.4)	(763.2)	(624.6)
Net increase in cash and cash equivalents	493.1	306.0	354.4
Cash and cash equivalents at beginning of the year	1,008.7	702.7	348.3
Cash and cash equivalents at end of the year	\$ 1,501.8	\$ 1,008.7	\$ 702.7

1994 and 1992 amounts exclude the effects of accounting changes. Reference should be made to the Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND CONSOLIDATION

The consolidated financial statements include the accounts of GM Hughes Electronics Corporation (GMHE) and its domestic and foreign subsidiaries that are more than 50% owned, principally Hughes Aircraft Company (Hughes) and Delco Electronics Corporation (Delco Electronics). Investments in associated companies in which at least 20% of the voting securities is owned are accounted for under the equity method of accounting.

Effective December 31, 1985, General Motors Corporation (General Motors or GM) acquired Hughes and its subsidiaries for \$2.7 billion in cash and cash equivalents and 100 million shares of GM Class H common stock having an estimated value of \$2,561.9 million, which carried certain guarantees.

On February 28, 1989, GM and the Howard Hughes Medical Institute (Institute) reached an agreement to terminate GM's then-existing guarantee obligations with respect to the Institute's holding of GM Class H common stock. Under terms of the agreement as amended, the Institute received put options exercisable under most circumstances at \$30 per share on March 1, 1991, 1992, 1993, and 1995 for 20 million, 10 million, 10.5 million, and 15 million shares, respectively. The Institute exercised these put options at \$30 per share on March 1, 1991, March 2, 1992, and March 1, 1993. GM has the option to call the Institute's remaining 15 million shares until February 28, 1995, at a call price of \$37.50 per share.

The acquisition of Hughes was accounted for as a purchase. The purchase price exceeded the net book value of Hughes by \$4,244.7 million, which was assigned as follows: \$500.0 million to patents and related technology, \$125.0 million to the future economic benefits to GM of the Hughes Long-Term Incentive Plan (LTIP), and \$3,619.7 million to other intangible assets, including goodwill. The amounts assigned to patents and related technology are being amortized on a straight-line basis over 15 years and other intangible assets, including goodwill, over 40 years. The amount assigned to the future economic benefits of the Hughes LTIP was fully amortized in 1990.

For the purpose of determining earnings per share and amounts available for dividends on the common stocks of General Motors, the amortization of these intangible assets is charged against earnings attributable to GM \$1 2/3 par value common stock.

The earnings of GMHE and its subsidiaries since the acquisition of Hughes form the base from which any dividends on the GM Class H common stock are declared. These earnings include income earned from sales to GM and its affiliates, but exclude purchase accounting adjustments (see Notes 2 and 7).

REVENUE RECOGNITION

Outside sales are attributable principally to long-term contracts, primarily recorded using the percentage-of-completion (cost-to-cost) method of accounting. Under this method, sales are recorded equivalent to costs incurred plus a portion of the profit expected to be realized, determined based on the ratio of costs incurred to estimated total costs at completion.

Profits expected to be realized on contracts are based on estimates of total sales value and costs at completion. These estimates are reviewed and revised periodically throughout the lives of the contracts, and adjustments to profits resulting from such revisions are recorded in the accounting period in which the revisions are made. Estimated losses on contracts are recorded in the period in which they are identified.

Certain contracts contain cost or performance incentives which provide for increases in profits for surpassing stated objectives and decreases in profits for failure to achieve such objectives. Amounts associated with incentives are included in estimates of total sales values when there is sufficient information to relate actual performance to the objectives.

Effective January 1, 1992, Hughes changed its revenue recognition policy for certain commercial long-term contracts from the percentage-of-completion (cost-to-cost) method to the units-of-delivery method. GMHE believes this method more appropriately aligns the accounting methods of Hughes' commercial businesses with other commercial enterprises. The unfavorable effect of this change was \$40.0 million after-tax (\$0.10 per share of GM Class H common stock).

Sales under United States Government contracts were 37.6%, 44.2%, and 46.1% of total sales in 1994, 1993, and 1992, respectively.

CASH FLOWS

For purposes of preparing the Statement of Consolidated Cash Flows, all highly liquid investments purchased with original maturities of 90 days or less are considered to be cash equivalents.

Net cash provided by operating activities reflects cash payments for interest and income taxes as follows:

(Dollars in Millions)	1994	1993	1992
Interest	\$ 40.7	\$ 72.5	\$ 75.2
Income taxes	\$ 686.2	\$ 245.0	\$ 333.0

With respect to material noncash transactions, as described more fully in Note 13, in 1992 GMHE purchased 21,508,563 shares of GM Class H common stock in exchange for \$425.0 million of notes payable to GM and cash of \$25.0 million in connection with the acquisition of General Dynamics' missile business.

ACCOUNTS RECEIVABLE AND CONTRACTS IN PROCESS

Trade receivables are principally related to long-term contracts and programs. Amounts billed under retainage provisions of contracts are not significant, and substantially all amounts are collectible within one year.

Contracts in process are stated at costs incurred plus estimated profit, less amounts billed to customers and advances and progress payments applied. Engineering, tooling, manufacturing, and applicable overhead costs, including administrative, research and development, and selling expenses, are charged to costs and expenses when incurred. Contracts in process include amounts relating to contracts with long production cycles, and \$371.7 million of the 1994 amount is expected to be billed after one year. Contracts in process in 1994 also include approximately \$96.2 million relating to claims, requests for equitable adjustments and amounts withheld pending negotiation or settlement with customers. Under certain contracts with the U.S. Government, progress payments are received based on costs incurred on the respective contracts. Title to the inventories related to such contracts (included in contracts in process) vests with the U.S. Government.

INVENTORIES

Inventories are stated at the lower of cost or market principally using the first-in, first-out (FIFO) or average cost methods.

Major Classes of Inventories

(Dollars in Millions)	1994	1993
Productive material, work in process, and supplies	\$ 968.0	\$ 957.1
Finished product	119.9	103.3
Total	\$ 1,087.9	\$ 1,060.4

PROPERTY AND DEPRECIATION

Property is carried at cost. Depreciation of property is provided for based on estimated useful lives (3 to 45 years) generally using accelerated methods.

TELECOMMUNICATIONS AND OTHER EQUIPMENT

Telecommunications and other equipment includes satellite transponders and other equipment subject to operating leases or service agreements. Such equipment is carried at GMHE's direct and indirect manufacturing cost and is amortized over the estimated useful lives (7 to 23 years) using the straight-line method. The net book value of equipment subject to operating leases was \$572.9 million and \$523.8 million at December 31, 1994 and 1993, respectively.

INTANGIBLE ASSETS

Intangible assets, principally the excess of cost over the fair value of identifiable net assets of purchased businesses, are amortized using the straight-line method over periods not exceeding 40 years.

INCOME TAXES

The provision (credit) for income taxes is based on reported income (loss) before income taxes. Deferred income tax assets and liabilities reflect the impact of temporary differences between the amounts of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes, as measured by applying currently enacted tax laws. Provision has been made for U.S. Federal income taxes to be paid on that portion of the undistributed earnings of foreign subsidiaries that has not been deemed permanently reinvested.

GMHE and its domestic subsidiaries join with General Motors in filing a consolidated U.S. Federal income tax return. The portion of the consolidated income tax liability recorded by GMHE is generally equivalent to the liability it would have incurred on a separate return basis.

RESEARCH AND DEVELOPMENT

Expenditures for research and development are charged to costs and expenses as incurred and amounted to \$699.3 million in 1994, \$612.1 million in 1993, and \$680.5 million in 1992.

FINANCIAL INSTRUMENTS

GMHE enters into foreign exchange-forward contracts and interest rate swap agreements in connection with management of its exposure to fluctuations in foreign exchange rates and interest rates. Foreign exchange-forward contracts are accounted for as hedges to the extent they are designated as, and are effective as, hedges of firm foreign currency commitments. The cash flows from interest rate swaps are accounted for as interest expense, and gains and losses from terminated contracts are deferred and amortized over the remaining life of the underlying debt. Open swap positions are reviewed regularly to ensure that they remain effective.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transaction net gains (losses) included in consolidated operating results amounted to (\$4.2) million in 1994, \$2.4 million in 1993, and \$11.7 million in 1992.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

POSTEMPLOYMENT BENEFITS

Effective January 1, 1994, GMHE adopted Statement of Financial Accounting Standards (SFAS) No. 112, Employers' Accounting for Postemployment Benefits. The Statement requires accrual of the costs of benefits provided to former or inactive employees after employment, but before retirement. The unfavorable cumulative effect of adopting this Standard was \$30.4 million, net of income taxes of \$19.2 million, or \$0.08 per share of GM Class H common stock. The charge is primarily related to extended-disability benefits which, under the new accounting Standard, are accrued on a service-driven basis.

NOTE 2: RELATED-PARTY TRANSACTIONS

SALES, PURCHASES, AND ADMINISTRATIVE EXPENSES

The amounts due from and to GM and affiliates result from sales of products to and purchases of materials and services from units controlled by GM. Purchases from GM and affiliates, including computer systems services provided by Electronic Data Systems Corporation, a wholly-owned subsidiary of GM, and common administrative expenses allocated by GM, amounted to approximately \$257.1 million, \$285.9 million, and \$447.0 million in 1994, 1993, and 1992, respectively.

INCENTIVE PLANS

Certain eligible employees of GMHE participate in various incentive plans of GM and its subsidiaries.

OTHER

Delco Electronics employees participate in GM's pension and other postretirement benefit programs.

NOTE 3: INCENTIVE PLAN

Under the GMHE Incentive Plan (the Plan) as approved by the GM Board of Directors in 1987 and 1992, shares, rights, or options to acquire up to 20 million shares of GM Class H common stock may be granted through May 31, 1997 (extended an additional two years in 1995).

The GM Executive Compensation Committee may grant options and other rights to acquire shares of GM Class H common stock under the provisions of the Plan. The option price is equal to 100% of the fair market value of GM Class H common stock on the date the options were granted. These nonqualified options generally expire 10 years from the dates of grant and are subject to earlier termination under certain conditions.

Changes in the status of outstanding options were as follows:

GM CLASS H COMMON STOCK	OPTION PRICES	SHARES UNDER OPTION
Outstanding at		
January 1, 1992	\$17.07 - \$30.25	5,061,209
Granted	23.63 - 25.38	1,927,860
Exercised	17.07 - 24.35	(136,764)
Terminated	17.07 - 30.25	(335,550)
Outstanding at		
December 31, 1992	17.07 - 30.25	6,516,755
Granted	28.00 - 28.56	2,027,260
Exercised	17.07 - 30.25	(1,960,162)
Terminated	17.07 - 30.25	(217,845)
Outstanding at		
December 31, 1993	17.07 - 30.25	6,366,008
Granted	36.75	1,612,640
Exercised	17.07 - 30.25	(712,107)
Terminated	17.07 - 36.75	(202,220)
Outstanding at		
December 31, 1994	\$17.07 - \$36.75	7,064,321

Options for 4,739,664 shares of GM Class H common stock were exercisable at December 31, 1994, and the maximum number of shares for which additional options and other rights may be granted under the Plan was 5,472,562 shares.

NOTE 4: PENSION PROGRAMS

GMHE's total pension expense (credit) amounted to \$54.9 million in 1994, (\$8.1) million in 1993, and (\$54.0) million in 1992.

Substantially all the employees of Delco Electronics participate in the defined benefit pension plans of General Motors. Plans covering represented employees generally provide benefits of negotiated stated amounts for each year of service as well as significant supplemental benefits for employees who retire with 30 years of service before normal retirement age. The benefits provided by the plans covering salaried employees are generally based on years of service and the employee's salary history. Certain nonqualified pension plans covering executives are based on targeted wage replacement percentages and are unfunded. The accumulated plan benefit obligation and plan net assets for the employees of Delco Electronics are not determinable separately; however, GM charged Delco Electronics \$93.3 million, \$69.8 million, and \$30.6 million for benefits provided to these employees in 1994, 1993, and 1992, respectively.

Hughes maintains contributory and non-contributory defined benefit retirement plans covering substantially all of its employees. Benefits are based on years of service and compensation earned during a specified period of time before retirement. Hughes also has an unfunded, nonqualified pension plan covering certain executives. The net pension credit of Hughes included the components shown below.

(Dollars in Millions)	1994	1993	1992
Benefits earned during the year	\$ 146.7	\$ 121.1	\$ 99.9
Interest accrued on benefits earned in prior years	377.0	369.1	357.9
Actual return on assets	(104.7)	(953.7)	(647.5)
Net amortization and deferral	(457.4)	385.6	105.1
Net retirement plan credit	(\$ 38.4)	(\$ 77.9)	(\$ 84.6)

Costs are actuarially determined using the projected unit credit method and are funded in accordance with U.S. Government cost accounting standards to the extent such costs are tax-deductible. SFAS No. 87, Employers' Accounting for Pensions, requires the

recognition of an additional liability to increase the amounts recorded up to the unfunded accumulated benefit obligation. The adjustment required to recognize the minimum liability required by SFAS No. 87 is recorded as an intangible asset to the extent of unrecognized prior service cost and the remainder, net of applicable deferred income taxes, is recorded as a reduction of Stockholder's Equity. At December 31, 1994 and 1993, the additional minimum liability recorded was \$152.4 million and \$208.1 million, respectively, of which \$76.1 million and \$120.4 million, respectively, was recorded as a reduction of Stockholder's Equity.

Plan assets are invested primarily in listed common stock, cash and short-term investment funds, U.S. Government securities, and other investments.

The weighted average discount rates used in determining the actuarial present values of the projected benefit obligation shown in the table below were 8.75% and 7.5% at December 31, 1994 and 1993, respectively. The rate of increase in future compensation levels was 5.0% in 1994 and 1993. The expected long-term rate of return on assets used in determining pension cost was 9.75% for 1994 and 10.5% for 1993.

The following table sets forth the funded status of the Hughes plans and the amounts included in the Consolidated Balance Sheet at December 31, 1994 and 1993.

(Dollars in Millions)	1994		1993	
	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets
Actuarial present value of benefits based on service to date and present pay levels				
Vested	\$3,572.5	\$195.9	\$3,936.3	\$246.4
Non-vested	337.9	0.9	313.6	3.9
Accumulated benefit obligation	3,910.4	196.8	4,249.9	250.3
Additional amounts related to projected pay increases	438.1	22.4	431.5	8.5
Total projected benefit obligation based on service to date	4,348.5	219.2	4,681.4	258.8
Plan assets at fair value	5,717.4	-	6,001.4	-
Plan assets in excess of (less than) projected benefit obligation	1,368.9	(219.2)	1,320.0	(258.8)
Unamortized net amount resulting from changes in plan experience and actuarial assumptions	(152.4)	150.2	(135.8)	209.2
Unamortized net asset at date of adoption	(217.3)	-	(280.0)	-
Unamortized net amount resulting from changes in plan provisions	(14.2)	24.6	4.5	7.4
Adjustment for unfunded pension liabilities	-	(152.4)	-	(208.1)
Net prepaid pension cost (accrued liability)	\$ 985.0	(\$196.8)	\$ 908.7	(\$250.3)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: OTHER POSTRETIREMENT BENEFITS

Effective January 1, 1992, GMHE adopted SFAS No. 106, Employers' Accounting for Postretirement Benefits Other Than Pensions. This Statement requires that the cost of such benefits be recognized in the financial statements during the period employees provide service to GMHE. GMHE's previous practice was to recognize the cost of such postretirement benefits when incurred (pay-as-you-go). The cumulative effect of this accounting change as of January 1, 1992 was \$1,366.6 million, or \$832.1 million after-tax (\$2.08 per share of GM Class H common stock). The incremental ongoing effect increased costs and expenses by \$96.8 million, \$91.0 million, and \$78.7 million in 1994, 1993, and 1992, respectively.

GMHE has disclosed in the financial statements certain amounts associated with estimated future postretirement benefits other than pensions and characterized such amounts as "accumu-

lated postretirement benefit obligations," "liabilities," or "obligations." Notwithstanding the recording of such amounts and the use of these terms, GMHE does not admit or otherwise acknowledge that such amounts or existing postretirement benefit plans of GMHE (other than pensions) represent legally enforceable liabilities of GMHE.

Substantially all of the employees of Delco Electronics participate in various postretirement medical, dental, vision, and life insurance plans of General Motors. Hughes maintains a program for eligible retirees to participate in health care and life insurance benefits generally until they reach age 65. Qualified employees who elected to participate in the Hughes contributory defined benefit pension plans may become eligible for these benefits if they retire from Hughes between the ages of 55 and 65.

The total non-pension postretirement benefit cost of GMHE and its subsidiaries, excluding the cumulative effect of adopting SFAS No. 106 in 1992, included the components set forth as follows:

(Dollars in Millions)	1994	1993	1992
Benefits earned during the year	\$ 50.1	\$ 49.2	\$ 42.9
Interest accrued on benefits earned in prior years	130.3	127.2	116.8
Net amortization	7.6	-	-
Total non-pension postretirement benefit cost	\$ 188.0	\$ 176.4	\$ 159.7

The following table displays the components of GMHE's obligation recognized for postretirement benefit plans included in the Consolidated Balance Sheet at December 31, 1994 and 1993:

(Dollars in Millions)	1994	1993
Accumulated postretirement benefit obligation attributable to		
Current retirees	\$ 816.6	\$ 906.8
Fully eligible active plan participants	191.9	193.1
Other active plan participants	576.6	844.9
Accumulated postretirement benefit obligation	1,585.1	1,944.8
Unrecognized net amount resulting from changes in plan experience and actuarial assumptions	44.7	(392.7)
Net postretirement benefit obligation	1,629.8	1,552.1
Less current portion	88.4	105.8
Net long-term postretirement benefit obligation	\$ 1,541.4	\$ 1,446.3

The assumed weighted average discount rates used in determining the actuarial present value of the accumulated postretirement benefit obligation were 8.57% and 6.99% at December 31, 1994 and 1993, respectively. The assumed weighted average rate of increase in future compensation levels related to pay-related life insurance benefits was 4.6% at December 31, 1994 and 5.3% at December 31, 1993.

The assumed weighted average health care cost trend rate was 7.39% in 1994, increasing to 9.70% in 1995, and decreasing linearly each successive year until it reaches 5.68% in 2006, after which it remains constant. A one percentage point increase in each year of this annual trend rate would increase the accumulated postretirement benefit obligation at December 31, 1994 by approximately \$165 million, and increase the service and interest cost components of the 1994 postretirement benefit expense by approximately \$21 million.

NOTE 6: INCOME TAXES

The income tax provision (credit) consists of the following:

(Dollars in Millions)	1994	1993	1992
Taxes currently payable			
U.S. Federal	\$ 532.2	\$ 222.0	\$ 319.7
Foreign	10.3	10.7	4.2
U.S. State and local	100.5	94.3	39.8
Total	643.0	327.0	363.7
Deferred tax (assets) liabilities - net			
U.S. Federal	(62.2)	229.7	(368.0)
Foreign	1.3	-	0.1
U.S. State and local	(9.3)	15.9	(73.0)
Total	(70.2)	245.6	(440.9)
Total income tax provision (credit)	\$ 572.8*	\$ 572.6	(\$ 77.2)*

* Excluding effect of accounting changes.

The deferred income tax benefit in 1994 includes a \$63.0 million credit that resulted from an adjustment to the beginning of the year valuation allowance because of a change in circumstances with respect to GMHE's ability to realize the benefit from a capital loss carryforward.

Income (Loss) before income taxes includes the following components:

(Dollars in Millions)	1994	1993	1992
U.S. income (loss)	\$ 1,448.1	\$ 1,286.7	(\$ 225.1)
Foreign income (loss)	80.5	83.7	(25.4)
Total	\$ 1,528.6	\$ 1,370.4	(\$ 250.5)

The consolidated income tax provision (credit) was different than the amount computed using the U.S. statutory income tax rate for the reasons set forth in the following table:

(Dollars in Millions)	1994	1993	1992
Expected tax (credit) at U.S. statutory income tax rate	\$ 535.0	\$ 479.5	(\$ 85.2)
U.S. State and local income taxes	59.3	70.1	(19.8)
Purchase accounting adjustments	43.3	43.3	42.1
Foreign tax rate differential	(17.7)	(6.9)	(13.1)
Change in valuation allowance	(63.0)	-	-
Deferred tax impact of U.S. Federal income tax rate change	-	(10.0)	-
Other	15.9	(3.4)	(1.2)
Consolidated income tax provision (credit)	\$ 572.8*	\$ 572.6	(\$ 77.2)*

* Excluding effect of accounting changes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Temporary differences and carryforwards which give rise to deferred tax assets and liabilities at December 31, 1994 and 1993 are as follows:

(Dollars in Millions)	1994		1993	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Postretirement benefits other than pensions	\$ 695.3	\$ -	\$ 663.7	\$ -
Profits on long-term contracts	259.3	417.3	229.3	437.0
Leveraged leases	86.7	-	99.9	-
Employee benefit programs	121.4	372.9	104.0	353.0
Depreciation	-	399.4	-	403.0
Special provision for restructuring	151.8	-	255.0	-
Other	408.0	215.6	445.5	287.6
Subtotal	1,722.5	1,405.2	1,797.4	1,480.6
Valuation allowance	(16.1)	-	(76.4)	-
Total deferred taxes	\$ 1,706.4	\$ 1,405.2	\$ 1,721.0	\$ 1,480.6

Provision has been made for U.S. Federal income taxes to be paid on that portion of the undistributed earnings of foreign subsidiaries that has not been deemed permanently reinvested. At December 31, 1994 and 1993, undistributed earnings of foreign subsidiaries amounted to approximately \$311.4 million and \$446.3 million, respectively. Repatriation of all accumulated foreign earnings would have resulted in tax liabilities of \$90.3 million and \$113.8 million, respectively, for which GMHE has provided deferred tax liabilities of \$66.2 million and \$75.0 million, respectively.

At December 31, 1994, GMHE had \$36.5 million of foreign operating loss carryforwards which expire in varying amounts between 1995 and 1999. A valuation allowance has been provided for all of the foreign operating loss carryforwards.

NOTE 7: EARNINGS (LOSS) ATTRIBUTABLE TO GENERAL MOTORS CLASS H COMMON STOCK ON A PER SHARE BASIS AND AVAILABLE SEPARATE CONSOLIDATED NET INCOME (LOSS)

Earnings (Loss) attributable to General Motors Class H common stock on a per share basis have been determined based on the relative amounts available for the payment of dividends to holders of the GM Class H common stock. Holders of GM Class H common stock have no direct rights in the equity or assets of GMHE, but rather have rights in the equity and assets of GM (which includes 100% of the stock of GMHE).

Dividends on the GM Class H common stock are declared by GM's Board of Directors out of the Available Separate Consolidated Net Income (Loss) of GMHE earned since the acquisition of Hughes by GM. The Available Separate Consolidated Net Income (Loss) of GMHE is determined quarterly and is equal to the separate consolidated net income (loss) of GMHE, excluding the effects of GM purchase accounting adjustments arising from the acquisition of Hughes (Earnings (Loss) Used for Computation of Available Separate Consolidated Net Income (Loss)), multiplied by

a fraction, the numerator of which is a number equal to the weighted average number of shares of GM Class H common stock outstanding during the period and the denominator of which was 399.9 million during the fourth quarters of 1994, 1993, and 1992.

The denominator used in determining the Available Separate Consolidated Net Income (Loss) of GMHE is adjusted as deemed appropriate by the GM Board of Directors to reflect subdivisions or combinations of the GM Class H common stock and to reflect certain transfers of capital to or from GMHE. The Board's discretion to make such adjustments is limited by criteria set forth in GM's Certificate of Incorporation. In this regard, the GM Board has generally caused the denominator to decrease as shares are purchased by GMHE, and to increase as such shares are used, at GMHE expense, for GMHE employee benefit plans or acquisitions.

Dividends may be paid on GM Class H common stock only when, as, and if declared by the GM Board of Directors in its sole discretion. The current policy of the GM Board with respect to GM Class H common stock is to pay cash dividends approximately equal to 35% of the Available Separate Consolidated Net Income of GMHE for the prior year. Notwithstanding the current dividend

policy, the dividends paid on the GM Class H Common Stock during 1994, 1993, and 1992 exceeded 35% of the Available Separate Consolidated Net Income (Loss) of GMHE for the preceding year (excluding the effect of the \$749.4 million after-tax special provision for restructuring at Hughes in 1992).

Consistent with Delaware law, which governs the amount legally available for the payment of dividends on GM's common stock, the GM Board of Directors has determined that such amount is materially higher than GM's capital surplus plus net income retained for use in the business (less accumulated deficit), as reported in its financial statements.

NOTE 8: PROPERTY - NET

(Dollars in Millions)	1994	1993
Land and improvements	\$ 196.5	\$ 208.4
Buildings and unamortized leasehold improvements	1,291.2	1,277.9
Machinery and equipment	2,623.8	2,902.5
Furniture, fixtures, and office machines	81.9	102.3
Construction in progress	448.9	310.6
Total	4,642.3	4,801.7
Less accumulated depreciation	2,047.5	2,200.7
Net real estate, plants, and equipment	2,594.8	2,601.0
Special tools - less amortization	17.0	33.4
Property - net	\$2,611.8	\$2,634.4

NOTE 9: NOTES AND LOANS PAYABLE AND LONG-TERM DEBT AND CAPITALIZED LEASES

(Dollars in Millions)	1994	1993
Loans payable to banks	\$ 17.6	\$ 8.6
Current portion of long-term debt	55.4	5.7
Other	52.7	63.5
Total notes and loans payable	\$ 125.7	\$ 77.8
Foreign bank debt	\$ 59.8	\$ 72.2
Term loans		
GM	143.8	143.8
Other	200.0	200.0
Other debt	3.9	4.8
Total	407.5	420.8
Less current portion	55.4	5.7
Long-term debt	352.1	415.1
Capitalized leases	1.4	1.7
Total long-term debt and capitalized leases	\$ 353.5	\$ 416.8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 1994, GMHE had unused credit available of \$450.0 million and \$650.0 million under short-term lines of credit and an unsecured revolving credit loan agreement, respectively.

The unsecured revolving credit loan agreement provides for a commitment of \$250.0 million through January 1995, subject to a facility fee of 0.09% per annum, and a commitment of \$400.0 million through January 1998, subject to a facility fee of 0.125% per annum. Borrowings under the agreement bear interest at a rate which approximates the London Interbank Offered Rate plus 0.25%. No amounts were outstanding under the agreement at December 31, 1994.

At December 31, 1994, foreign bank debt includes \$59.8 million denominated in British pound sterling, bearing interest at

rates ranging from 3.5% to 10.3%, with maturity dates from 1995 to 2005.

The GM term loans bear interest at rates ranging from 5.7% to 6.1% with maturity dates in 1996 and 1997. The other term loans consist of notes payable to an insurance company bearing interest at rates ranging from 7.1% to 8.0%, with maturity dates in 1995 and 1997.

Annual maturities of long-term debt and capitalized leases are \$55.9 million in 1995, \$92.0 million in 1996, \$213.7 million in 1997, \$4.2 million in 1998, \$4.5 million in 1999 and \$38.6 million thereafter.

Property with a net book value of \$38.3 million at December 31, 1994 is pledged as collateral under such debt.

NOTE 10: ACCRUED LIABILITIES

(Dollars in Millions)	1994	1993
Payrolls and other compensation	\$ 540.2	\$ 504.4
Provision for losses on contracts	277.0	204.2
Accrual for restructuring	143.3	222.8
Other	925.0	942.6
Total	\$1,885.5	\$1,874.0

NOTE 11: STOCKHOLDER'S EQUITY

The authorized capital stock of GMHE consists of 1,000 shares of \$0.10 par value common stock. At December 31, 1994 and 1993, 1,000 shares having an aggregate par value of \$100 were issued and outstanding. All of the outstanding capital stock of GMHE is held by General Motors.

(Dollars in Millions)	1994	1993	1992
Capital stock and additional paid-in capital			
Balance at beginning of the year	\$ 6,323.1	\$ 6,314.7	\$ 6,365.9
Tax benefit from exercise of GM Class H common stock options	3.4	8.4	-
GM Class H common stock price guarantee in connection with the acquisition of General Dynamics' missile business	-	-	(51.2)
Balance at end of the year	\$ 6,326.5	\$ 6,323.1	\$ 6,314.7
Net income retained for use in the business			
Balance at beginning of the year	\$ 1,138.2	\$ 628.4	\$ 1,961.8
Net income (loss)	925.4	797.8	(1,045.4)
Cash dividends paid to General Motors	(320.0)	(288.0)	(288.0)
Balance at end of the year	\$ 1,743.6	\$ 1,138.2	\$ 628.4
Minimum pension liability adjustment			
Balance at beginning of the year	(\$ 120.4)	(\$ 104.3)	(\$ 101.8)
Change during the year	44.3	(16.1)	(2.5)
Balance at end of the year	(\$ 76.1)	(\$ 120.4)	(\$ 104.3)
Accumulated foreign currency translation adjustments			
Balance at beginning of the year	(\$ 12.8)	(\$ 23.8)	(\$ 7.7)
Change during the year	(5.4)	11.0	(16.1)
Balance at end of the year	(\$ 18.2)	(\$ 12.8)	(\$ 23.8)

As sole stockholder of GMHE, GM is able to cause GMHE to pay cash dividends and make advances to or otherwise enter into transactions with GM as GM deems desirable and appropriate. GM reserves the right to cause GMHE to pay cash dividends to GM in such amounts as GM determines are desirable under the then prevailing facts and circumstances. Such amounts may be the same as, greater than, or less than the cash dividends paid by GM on its Class H common stock. There is no fixed relationship, on a per share or aggregate basis, between the cash dividends that may be paid by GM to holders of its Class H common stock and the cash dividends or other amounts that may be paid by GMHE to GM.

NOTE 12: SPECIAL PROVISION FOR RESTRUCTURING

The 1992 operating results include a special restructuring charge of \$1,237.0 million (\$749.4 million after-tax, or \$1.87 per share of GM Class H common stock) primarily attributable to redundant facilities and related employment costs at Hughes. The special charge comprehended a reduction of Hughes' worldwide employment, a major facilities consolidation, and a re-evaluation of certain business lines that no longer met Hughes' strategic objectives. Restructuring costs of \$228.3 million, \$527.6 million, and \$250.9 million were charged against the reserve during 1994, 1993, and 1992, respectively. In addition, in 1994 and 1993 the restructuring reserve was increased by \$35.0 million and \$78.0 million, respectively, primarily due to changes in the estimated loss on disposition of two subsidiaries. The remaining liability of \$343.2 million relates primarily to reserves for excess leased facilities and other site consolidation costs. Approximately \$288.2 million of this total will require future cash outflows. It is expected that these costs will be expended predominantly over the next three years.

NOTE 13: ACQUISITIONS

In December 1994, GMHE announced that it had reached an agreement with CAE Inc. of Toronto, Canada to acquire substantially all of the assets of its U.S. subsidiary, CAE-Link Corporation, for \$155 million in cash. CAE-Link is an established supplier of simulation, training, and technical services, primarily to the U.S. military and NASA. The transaction is expected to close during the first quarter of 1995.

In August 1992, GMHE acquired the missile business of General Dynamics Corporation (GD) in exchange for 21,508,563 shares of GM Class H common stock and cash with an aggregate value of \$450.0 million. GMHE had purchased the GM Class H shares from GM in August 1992 principally in exchange for a series of notes. The acquisition was accounted for as a purchase, and accordingly, the operating results have been consolidated since the acquisition date. The pro forma effect on 1992 operating results was not material.

GMHE has acquired several other enterprises with operations that complement existing technological capabilities at aggregate purchase prices, paid in cash, of \$10.4 million and \$9.7 million in 1993 and 1992, respectively. These acquisitions were accounted for using the purchase method of accounting. The operating results of the entities acquired, which were not material, were consolidated with those of GMHE from their respective acquisition dates.

The purchase prices of these acquisitions were allocated to the net assets acquired, including intangible assets, based upon their estimated fair values at the dates of acquisition.

NOTE 14: DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

GMHE is a party to financial instruments with off-balance sheet risk in the normal course of business to reduce its exposure to fluctuations in interest and foreign exchange rates. The primary classes of derivatives used by GMHE are foreign exchange-forward contracts and interest rate swap agreements. These instruments involve, to varying degrees, elements of credit risk in the event a counterparty should default and market risk as the instruments are subject to rate and price fluctuations. Credit risk is managed through the periodic monitoring and approval of financially sound counterparties. Market risk is mitigated because the derivatives are used to hedge underlying transactions. Cash receipts or payments on these contracts normally occur at maturity, or for interest swap agreements, at periodic contractually defined intervals. GMHE holds derivatives only for purposes other than trading.

FOREIGN EXCHANGE-FORWARD CONTRACTS

Foreign exchange-forward contracts are legal agreements between two parties to purchase and sell a foreign currency, for a price specified at the contract date, with delivery and settlement in the future. GMHE uses these agreements to hedge risk of changes in foreign currency exchange rates associated with certain firm commitments denominated in foreign currency.

The total notional amount of foreign exchange-forward contracts GMHE held at December 31, 1994 and 1993, was approximately \$144 million and \$111 million, respectively. GMHE's open contracts extend for periods averaging nine months.

INTEREST RATE SWAP AGREEMENTS

Interest rate swap agreements are contractual agreements between GMHE and another party to exchange fixed and floating interest rate payments periodically over the life of the agreements without the exchange of underlying principal amounts. These instruments are used by GMHE with the objective of minimizing interest expense while maintaining the desired level of exposure to the risk of interest rate fluctuations. There were no outstanding interest rate swap agreements at December 31, 1994. At December 31, 1993, the total notional amount of outstanding

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

contracts was approximately \$200 million. Interest rate swap agreements used to hedge an underlying debt obligation are not marked to market, but are recognized as an adjustment to interest expense over the life of the underlying debt agreement. Gains and losses on terminated swap contracts are deferred and recognized as a yield adjustment on the underlying debt; such unamortized gains totaled approximately \$10.8 million and \$14.9 million at December 31, 1994 and 1993, respectively.

NOTE 15: FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with the requirements of SFAS No. 107, Disclosures about Fair Value of Financial Instruments, and SFAS No. 119, Disclosures about Derivative Financial Instruments and Fair Value of Financial Instruments, the following fair value estimates and information about valuation methodologies are presented. For all financial instruments not described below, fair value approximates book value.

For notes and loans payable and long-term debt, the estimated fair value (which approximates book value) was \$479.9 million and \$506.5 million at December 31, 1994 and 1993, respectively. Such fair value is based on the quoted market prices for similar issues or on the current rates offered to GMHE for debt of similar remaining maturities. The carrying value of debt with an original term of less than 90 days is assumed to approximate fair value.

The fair values of derivative financial instruments reflect the estimated amounts GMHE would receive or pay to terminate the contracts at the reporting date, which takes into account the current unrealized gains or losses on open contracts. The fair value of foreign exchange-forward contracts is estimated based on foreign exchange rate quotes at the reporting date. At December 31, 1994 and 1993, the estimated fair value of open contracts in

a loss position was (\$0.1) million and (\$0.3) million, respectively, which was approximately equal to book value.

The fair value of interest rate swap agreements is estimated using pricing models based upon current interest rates. There were no open interest rate swap agreements at December 31, 1994. At December 31, 1993, the fair value of open contracts in a gain position was \$12.6 million.

NOTE 16: SEGMENT REPORTING

GMHE operates principally within the field of modern high-technology electronics for use in Automotive Electronics, Telecommunications and Space, Defense Electronics, and Commercial Technologies business segments. Radios, controls for engines and transmissions, monitors and sensors for airbags, controllers for anti-lock brakes, climate control, dashboard instrumentation, and other automotive electronic products are included in the Automotive Electronics segment. The Telecommunications and Space segment includes satellite construction, ownership and operation, communication services, ground equipment, and direct-to-home satellite television entertainment services. The Defense Electronics segment includes missile systems, command and control systems, electro-optical systems, airborne radar systems, military training and simulation systems, and guidance and control systems. The Commercial Technologies segment includes commercial electronics products and services such as commercial training, air traffic control, aircraft passenger communications and entertainment, inertial navigation, information systems, space sensors for environmental and scientific applications, and entertainment and leisure products. Intercompany transfers between segments are not material. Information concerning operations by segment is shown on page 63.

(Dollars in Millions)	AUTOMOTIVE ELECTRONICS	TELECOMMUNICATIONS AND SPACE	DEFENSE ELECTRONICS	COMMERCIAL TECHNOLOGIES	CORPORATE	TOTAL
Revenues						
1994	\$ 5,267.5	\$ 2,528.7	\$ 5,590.7	\$ 712.5	-	\$ 14,099.4
1993	4,491.6	2,178.0	6,112.1	735.8	-	13,517.5
1992	3,985.8	1,927.9	5,547.0	836.4	-	12,297.1
Operating Profit (Loss) (1) (2)						
1994	\$ 793.6	\$ 266.6	\$ 583.6	(\$ 124.5)	(\$ 12.7)	\$ 1,506.6
1993	626.1	195.9	538.0	(0.4)	(23.3)	1,336.3
1992	462.4	33.4	(596.6)	(195.1)	(22.1)	(318.0)
Identifiable Assets at Year-End (3)						
1994	\$ 3,466.4	\$ 3,473.2	\$ 6,808.8	\$ 970.6	\$ 131.5	\$ 14,850.5
1993	2,840.5	2,797.1	7,385.4	957.7	136.4	14,117.1
1992	2,471.8	2,843.6	7,281.7	1,505.0	107.1	14,209.2
Depreciation and Amortization (1)						
1994	\$ 143.4	\$ 144.4	\$ 260.9	\$ 45.3	-	\$ 594.0
1993	153.2	118.8	298.1	57.2	-	627.3
1992	124.1	128.8	307.3	50.7	-	610.9
Capital Expenditures (4)						
1994	\$ 171.9	\$ 395.0	\$ 152.5	\$ 26.9	-	\$ 746.3
1993	149.2	264.9	132.9	33.0	-	580.0
1992	266.1	174.4	99.4	18.6	-	558.5

(1) 1994 includes \$123.8 million (\$10.7 million, \$102.8 million, and \$10.3 million related to Telecommunications and Space, Defense Electronics, and Commercial Technologies, respectively) and 1993 and 1992 include \$123.8 million (\$10.8 million, \$102.7 million, and \$10.3 million related to Telecommunications and Space, Defense Electronics, and Commercial Technologies, respectively) of purchase accounting adjustments associated with GM's purchase of Hughes.

(2) 1992 includes \$1,237.0 million (\$195.3 million, \$911.8 million, and \$129.9 million related to Telecommunications and Space, Defense Electronics, and Commercial Technologies, respectively) for the special provision for restructuring.

(3) Identifiable assets include the unamortized purchase accounting adjustments associated with the purchase of Hughes as detailed below:

	TELECOMMUNICATIONS AND SPACE	DEFENSE ELECTRONICS	COMMERCIAL TECHNOLOGIES	TOTAL
1994	\$ 261.0	\$ 2,494.5	\$ 249.8	\$ 3,005.3
1993	271.7	2,597.3	260.1	3,129.1
1992	282.5	2,700.0	270.4	3,252.9

(4) Telecommunications and Space includes expenditures related to telecommunications and other equipment amounting to \$255.8 million, \$131.1 million, and \$101.6 million in 1994, 1993, and 1992, respectively.

SUPPLEMENTARY INFORMATION

(Dollars in Millions Except Per Share Amounts)

SELECTED QUARTERLY DATA (Unaudited)	1994 QUARTERS				1993 QUARTERS			
	1ST	2ND	3RD	4TH	1ST	2ND	3RD	4TH
Revenues	\$3,587.3	\$3,535.9	\$3,354.5	\$3,621.7	\$3,181.2	\$3,315.4	\$3,319.9	\$3,701.0
Income before income taxes	\$ 477.3	\$ 400.6	\$ 361.4	\$ 289.3	\$ 279.4	\$ 348.4	\$ 334.7	\$ 407.9
Income taxes	195.8	164.2	148.2	64.6	121.1	147.3	141.6	162.6
Income before cumulative effect of accounting change	281.5	236.4	213.2	224.7	158.3	201.1	193.1	245.3
Cumulative effect of accounting change	(30.4)*	-	-	-	-	-	-	-
Net income	\$ 251.1	\$ 236.4	\$ 213.2	\$ 224.7	\$ 158.3	\$ 201.1	\$ 193.1	\$ 245.3
Earnings used for computation of available separate consolidated net income	\$ 282.1	\$ 267.3	\$ 244.2	\$ 255.6	\$ 189.3	\$ 232.0	\$ 224.0	\$ 276.3
Average number of shares of General Motors Class H common stock outstanding (in millions)	90.6	91.7	92.7	93.3	93.9	86.0	87.4	88.7
Class H dividend base (in millions)	399.9	399.9	399.9	399.9	399.9	399.9	399.9	399.9
Available separate consolidated net income	\$ 64.0	\$ 61.3	\$ 56.6	\$ 59.7	\$ 44.4	\$ 50.0	\$ 48.9	\$ 61.2
Earnings attributable to General Motors Class H common stock on a per share basis								
Before cumulative effect of accounting change	\$0.78	\$0.67	\$0.61	\$0.64	\$0.47	\$0.58	\$0.56	\$0.69
Cumulative effect of accounting change	(0.08)*	-	-	-	-	-	-	-
Net earnings attributable to General Motors Class H common stock	\$0.70	\$0.67	\$0.61	\$0.64	\$0.47	\$0.58	\$0.56	\$0.69
Stock price range of General Motors Class H common								
High	\$40.38	\$38.75	\$38.00	\$37.75	\$27.50	\$33.00	\$38.00	\$42.38
Low	\$32.63	\$31.75	\$34.63	\$31.00	\$22.88	\$23.38	\$30.50	\$34.50

* Effective January 1, 1994, GMHE adopted SFAS No. 112. The unfavorable cumulative effect of adopting SFAS No. 112 was \$30.4 million, or \$6.8 million attributable to GM Class H common stock.

A reconciliation of operating profit (loss) shown on the previous page to Income (Loss) before Income Taxes shown in the Statement of Consolidated Operations and Available Separate Consolidated Net Income (Loss) follows:

(Dollars in Millions)	1994	1993	1992
Operating Profit (Loss)	\$1,506.6	\$1,336.3	(\$ 318.0)
Other Income - net	37.1	67.3	128.1
Interest Expense	(15.1)	(33.2)	(60.6)
Income (Loss) before Income Taxes	\$1,528.6	\$1,370.4	(\$ 250.5)

Export sales from the U.S. were as follows:

(Dollars in Millions)	1994	1993	1992
Africa	\$ 25.8	\$ 28.2	\$ 39.5
Asia	758.2	593.4	424.5
Canada	876.3	820.7	642.9
Europe	678.6	503.1	524.6
Mexico	96.9	122.9	199.0
Other Latin America	90.3	68.3	108.7
Middle East	370.1	404.4	274.3
Total	\$ 2,896.2	\$ 2,541.0	\$ 2,213.5

Certain amounts for 1993 have been reclassified to conform with 1994 classifications.

NOTE 17: COMMITMENTS AND CONTINGENT LIABILITIES

In December 1994, Hughes entered into an agreement with Computer Sciences Corporation (CSC) whereby CSC will provide substantially all of the data processing services required by Hughes. Baseline service payments to CSC are expected to aggregate approximately \$1.5 billion over the term of the eight-year agreement. The contract is cancelable by Hughes with substantial early termination penalties.

Minimum future commitments under operating leases having noncancelable lease terms in excess of one year, primarily for real property and satellite transponders, aggregating \$2,142.4 million, are payable as follows: \$233.5 million in 1995, \$200.0 million in 1996, \$169.5 million in 1997, \$157.5 million in 1998, \$158.8 million in 1999, and \$1,223.1 million thereafter. Certain of these leases contain escalation clauses and renewal or purchase options. Rental expenses under operating leases were \$306.2 million in 1994, \$296.3 million in 1993, and \$277.9 million in 1992.

GMHE and its subsidiaries are subject to potential liability under government regulations and various claims and legal actions which are pending or may be asserted against them. The aggregate ultimate liability of GMHE and its subsidiaries under these government regulations, and under these claims and actions, was not determinable at December 31, 1994. In the opinion of management of GMHE, such liability is not expected to have a material adverse effect on GMHE's consolidated operations or financial position.

SELECTED FINANCIAL DATA

(Dollars in Millions Except Per Share Amounts)

	1994	1993	1992	1991	1990
Revenues	\$14,099.4	\$13,517.5	\$12,297.1	\$11,540.6	\$11,723.1
Earnings (Loss) used for computation of available separate consolidated net income (loss)	\$ 1,049.2	\$ 921.6	(\$ 921.6)	\$ 559.4	\$ 726.0
Average number of shares of General Motors Class H common stock outstanding (in millions)	92.1	88.6	75.3	73.7	88.1
Class H dividend base (in millions)	399.9	399.9	399.9	399.9	399.7
Available separate consolidated net income (loss)	\$ 241.6	\$ 204.5	(\$ 142.3)	\$ 104.6	\$ 160.0
GM Class H cash dividends	\$ 73.8	\$ 64.1	\$ 53.3	\$ 54.3	\$ 63.4
Dividend payout ratio ⁽¹⁾	36.0%	N/A	51.0%	33.9%	33.7%
Earnings (Loss) attributable to General Motors Class H common stock on a per share basis before cumulative effect of accounting changes	\$2.70	\$2.30	(\$0.11)	\$1.26	\$1.82
Earnings (Loss) attributable to General Motors Class H common stock on a per share basis after cumulative effect of accounting changes	\$2.62	\$2.30	(\$2.29)	\$1.39	\$1.82
Capital expenditures ⁽²⁾	\$ 746.3	\$ 580.0	\$ 558.5	\$ 681.3	\$ 884.3
Cash and cash equivalents	\$ 1,501.8	\$ 1,008.7	\$ 702.7	\$ 348.3	\$ 459.3
Working capital	\$ 2,695.5	\$ 2,165.2	\$ 1,692.4	\$ 1,548.8	\$ 1,373.9
Total assets	\$14,850.5	\$14,117.1	\$14,209.2	\$12,930.8	\$12,727.5
Long-term debt and capitalized leases	\$ 353.5	\$ 416.8	\$ 711.0	\$ 147.1	\$ 271.9
Return on equity* ⁽³⁾	12.1%	11.3%	(13.9%)	5.3%	7.2%
Income (Loss) before interest and taxes as a percent of capitalization ⁽⁴⁾	19.0%	18.0%	(2.3%)	8.1%	12.4%
Pre-tax return on total assets ⁽⁵⁾	10.6%	9.7%	(1.8%)	5.2%	8.3%

* Includes favorable (unfavorable) cumulative effect of accounting changes of (\$30.4) million in 1994, (\$872.1) million in 1992, and \$54.4 million in 1991.

(1) GM Class H cash dividends divided by available separate consolidated net income for the prior year.

(2) Includes expenditures related to telecommunications and other equipment amounting to \$255.8 million, \$131.1 million, \$101.6 million, \$88.3 million, and \$182.6 million in 1994, 1993, 1992, 1991, and 1990, respectively.

(3) Net income (loss) divided by average stockholder's equity (General Motors' equity in its wholly-owned subsidiary, GMHE). Holders of GM Class H common stock have no direct rights in the equity or assets of GMHE, but rather have rights in the equity and assets of GM (which includes 100% of the stock of GMHE).

(4) Income (Loss) before interest and taxes divided by average stockholder's equity plus average debt.

(5) Income (Loss) before interest and taxes divided by average total assets.

WHAT IS CLASS H STOCK?*
GM HAS THREE CLASSES OF COMMON STOCK

This annual report is prepared for the benefit of holders of General Motors Corporation ("GM") Class H common stock. GM has three classes of common stock, Class H (ticker symbol GMH), Class E (ticker symbol GME) and \$1²/₃ par value (ticker symbol GM). Holders of Class H and Class E common stock have no direct rights in the equity or assets of GM Hughes Electronics Corporation (GMHE) or Electronic Data Systems Corporation (EDS), respectively, but rather have rights in the equity and assets of GM, which includes 100 percent of the stock of GMHE and EDS. For purposes of determining the approximate earnings per share attributable to Class H common stock for financial reporting purposes, an investor may divide the quarterly GMHE earnings allocated to Class H common stock (the Available Separate Consolidated Net Income of GMHE) by the weighted average number of shares of Class H common stock outstanding during such quarter. A similar calculation may be performed to determine the approximate earnings per share attributable to Class E common stock. Earnings per share of GM \$1²/₃ par value common stock are calculated on the consolidated earnings of GM excluding the aggregate earnings attributed to the outstanding shares of Class H and Class E common stock.

CLASS H IS A GM STOCK WITH DIVIDEND PAYMENTS LINKED TO THE PERFORMANCE OF GMHE

Class H common stock, which is issued by GM, is designed to provide holders with financial returns based on the performance of GMHE and not the performance of any other GM subsidiaries, divisions, or operations. The current dividend policy of

the GM Board of Directors is to pay quarterly dividends on Class H common stock at an annual rate equal to approximately 35 percent of the Available Separate Consolidated Net Income of GMHE for the prior year as described herein. The Board may change dividend practices and policies with respect to Class H common stock, or any other class of GM common stock, at any time.

EARNINGS ATTRIBUTABLE TO CLASS H STOCK ARE NOT AFFECTED BY HUGHES ACQUISITION INTANGIBLES

The GMHE Statement of Consolidated Operations reflects amortization of purchase accounting adjustments arising from GM's acquisition of Hughes Aircraft Company (Hughes) in 1985 of \$123.8 million in 1994, 1993, and 1992. Also, \$3.0 billion and \$3.1 billion, respectively, of related unamortized intangible assets are included in the December 31, 1994 and 1993 Consolidated Balance Sheet. GM's Certificate of Incorporation provides that, in calculating the amount available for payment of dividends on Class H stock (which amount is also used to calculate the earnings attributable to Class H stock on a per share basis), amortization of the excess purchase price for the acquisition of Hughes will not be charged against the earnings of GMHE. For purposes of calculating the amounts available for payment of dividends on Class H stock and on the \$1²/₃ par value stock, amortization of such purchase accounting adjustments is charged against the amounts available for the payment of dividends on GM's \$1²/₃ par value stock, not the Class H stock. This annual report also provides supplemental data that enables readers to review the financial performance of GMHE, excluding amortization of GM purchase accounting adjustments related to Hughes.

**Not a part of the notes to Consolidated Financial Statements.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

_____))
In the Matter of the Application of)

HUGHES COMMUNICATIONS)
GALAXY, INC.)

For Authority to Construct,)
Launch and Operate)
GALAXY/SPACEWAY,™ a)
Global System of Geostationary Ka)
band Fixed and Ku band Broadcast)
Communications Satellites)
_____)

File No.:

APPLICATION

Hughes Communications Galaxy, Inc. ("Hughes"), pursuant to Sections 308, 309 and 319 of the Communications Act of 1934, as amended, hereby applies for authority to construct, launch and operate a domestic fixed-service communications satellite system that will function in the Ka band and/or the BSS Ku band at 99° W.L. Certain information contained in HCG's System Amendment, Application for Authority to Construct, Launch and Operate GALAXY/SPACEWAY,™ Global System of Geostationary Ka band Fixed and Ku band Broadcast Communications Satellites ("GALAXY/SPACEWAY Application™"), to which this is attached, is incorporated herein by reference.

I. REQUIRED SATELLITE INFORMATION

A. Applicant

Hughes Communications Galaxy, Inc.
1990 Grand Avenue
El Segundo, California 90245
213-607-4400
Attention: Carl A. Brown, Senior Vice President

B. Correspondence

Name, address and telephone number of the persons to whom inquiries or correspondence should be directed:

Gary M. Epstein
John P. Janka
James H. Barker
Latham & Watkins
1001 Pennsylvania Avenue, N.W.
Suite 1300
Washington, D.C. 20004
202-637-2200

C. Frequencies, Polarization and Emission Parameters

The Satellite System at 99° W.L. will perform communications in the 17.7 GHz to 20.2 GHz (downlink) and 27.5 GHz to 30.0 GHz (uplink) frequency bands, and will perform tracking, telemetry, and control ("TT&C") functions in the bands described in Figure D-1 of the GALAXY SPACEWAY™ Application.

Detailed technical information regarding satellite transmission and performance characteristics is contained in the GALAXY SPACEWAY™ Application at Item D.

D. Orbital Location

Hughes requests that the Commission reserve the geosynchronous orbital position at 99° West Longitude for this system. Factors supporting this requested orbital

position and the range of adequate locations are discussed in the GALAXY SPACEWAY™ Application at Item G.

E. Predicted Coverage Contours for Each Antenna Beam

Coverage data and contours are provided in the GALAXY SPACEWAY™ Application at Item D.

F. Physical Characteristics of the Space Station

A detailed description of the spacecraft to be utilized at 99° W.L. is contained in the GALAXY SPACEWAY™ Application at Item D, including data regarding accuracy of orbital parameters and antenna direction, estimated lifetime, attitude stabilization and station-keeping, and satellite subsystems (including the electrical power system).

G. Emission Limitations

Control of spurious emissions of the spacecraft is discussed in the GALAXY SPACEWAY™ Application at Item D.

H. Schedule for Construction, Launch and Placement into Service

A schedule for constructing, launching and placing the spacecraft into operation is provided in the GALAXY SPACEWAY™ Application at Item H.

II. WAIVER

The Applicant waives any claim to the sue of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests construction, launch, and operating authority in accordance with this application.

III. ADDITIONAL INFORMATION REGARDING PROPOSED SATELLITE SYSTEM

The GALAXY SPACEWAY™ Application sets forth the public interest considerations and the financial, legal and technical qualifications of Hughes and other information pertinent to this application, and is incorporated herein by reference.

IV. CERTIFICATIONS


The undersigned certifies individually and for Hughes that the statements made in this application are true, complete and correct to the best of his knowledge and belief, and are made in good faith.

Hughes further certifies that neither Hughes, nor its parent company, Hughes Communications, Inc. ("HCI"), nor any of the officers or directors of Hughes or HCI, is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 835a.

HCG requests that the Commission grant this application.

Respectfully submitted,

HUGHES COMMUNICATIONS GALAXY, INC.

By: 
Carl A. Brown
Senior Vice President

Date: September 29, 1995

**CERTIFICATION OF PERSON RESPONSIBLE
FOR PREPARING ENGINEERING
INFORMATION SUBMITTED IN THIS APPLICATION**

I hereby certify that I am the technically qualified person responsible for preparation of the engineering information contained in this Application, that I am familiar with Part 25 of the Commission's Rules, that I have either prepared or reviewed the engineering information submitted in this Application, and that it is complete and accurate to the best of my knowledge.

On behalf of HUGHES COMMUNICATIONS GALAXY, INC.

By: *Bernard Vecerek*
Bernard F. Vecerek, Ph.D.
Director
Galaxy Satellite Services
Hughes Communications Galaxy, Inc.

Date: September 29, 1995