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S2933 SAT-LOA-20141010-00107 IB2014002031
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Jose Albuquerque
Chief, Satellite Division-International Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Federal Communications Commission
Bureau / Office
ORIGINAL

Re: Skynet Satellite Corporation – Milestone Showing for
Telstar 12 Vantage Satellite ("Telstar 12V") at 15° W.L.

REQUEST FOR CONFIDENTIAL TREATMENT

Dear Mr. Albuquerque:

Skynet Satellite Corporation ("Skynet") has filed an application for authority to launch and operate Telstar 12V (the "Application"),¹ and Skynet is filing a milestone showing today for Telstar 12V. Skynet has redacted confidential information from the public copy of its milestone showing and is delivering a non-redacted copy of the milestone showing to the Commission separately on a confidential basis. Pursuant to Sections 0.457(d) and 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552(b)(4), Skynet hereby requests confidential treatment for the redacted portions of the following materials from its milestone showing:

1. A contract between Telesat Luxembourg S.à r.l. ("Telesat Luxembourg"), a sister corporation of Skynet, each a wholly-owned subsidiary of Telesat Canada, with Astrium S.A., now Airbus Defence & Space ("Airbus") for the construction of Telstar 12V, including Appendices, Attachments, and two Change Notices (the "Telstar 12V Contract") that have been executed in connection with that Contract;

¹ File Number: SAT-LOA-20141010-00107

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2. The data packet for the payload subsystem CDR for Telstar 12V;
3. Copies of the invoice and evidence of payment of the Telstar 12V Contract milestone requiring completion of the payload subsystem CDR; and
4. A copy of the relevant portion of Airbus' July 2014 Quarterly Progress Report on the construction of Telstar 12V.

I. THE REDACTED INFORMATION CONTAINS COMMERCIAL OR FINANCIAL INFORMATION AND TRADE SECRETS THAT ARE ENTITLED TO PROTECTION UNDER FOIA EXEMPTION 4 AND PARALLEL COMMISSION RULES.

FOIA Exemption 4 and Section 0.457(d) of the Commission's rules allow protection from disclosure for "trade secrets and commercial or financial information obtained from a person and privileged or confidential." The information redacted from the public copy of the milestone showing falls squarely within this definition.

The redacted information contains financial information, including payment terms and performance incentives, highly negotiated and sensitive contractual terms, and detailed information showing the design, specifications and expected performance for the Telstar 12V satellite, the manufacturing processes to be employed, and other confidential and proprietary information regarding the work to be performed and its progress. Such information is highly confidential both to Skynet and to Airbus.

Skynet and Airbus have taken steps, including as reflected in the Telstar 12V Contract, to restrict public disclosure. Access to these materials is limited in each company to personnel who have a need to know such information in the performance of their duties.

None of the information that is redacted from the milestone showing has been disclosed to the public in unredacted form.

II. DISCLOSURE OF THE REDACTED INFORMATION WOULD CAUSE SKYNET AND AIRBUS COMPETITIVE HARM.

The Commission has recognized that it should not require the public disclosure of information that might put a regulated entity at a competitive disadvantage.² That policy clearly applies in the present circumstances.

Skynet and Airbus each operates in a highly competitive environment. The release of the financial and other proprietary and confidential information that has been redacted would give their competitors an unfair competitive edge by revealing to them information about the financial margins at which each company operates and other confidential and proprietary information about their operations. Such a release would have a negative impact on Skynet both directly, as to information that is privileged and confidential to Skynet's own operations, and indirectly, as to information that is privileged and confidential to Airbus. Neither Airbus nor other satellite manufacturers would be willing to make financial or other concessions of the kind reflected in the Telstar 12V Contract in future negotiations if those concessions were at risk of becoming publicly known.

Disclosure of the design, specification, and other technical and manufacturing process information that has been redacted would reveal key elements of Skynet's business plans and potential commercial offerings that would allow its competitors to tailor their plans to counter or imitate those of Skynet. And satellite manufacturers competing with Airbus, once armed with the detail of Airbus' satellite design and manufacture processes, could undertake similar actions that would undercut Airbus' market position.

III. THE REDACTED INFORMATION IS NOT NEEDED TO MAKE A MILESTONE DETERMINATION.

The Telstar 12V milestone showing addresses the Commission's milestones for: (i) executing a binding, non-contingent contract for the construction of the satellite; (ii) completing the critical design review for the licensed satellite system; and (iii) beginning construction of the satellite.

The materials Skynet has submitted on the public record, including redacted copies of the construction contract and critical design review ("CDR") data packet, pictures of the satellite under construction, and certifications from each of Skynet and Airbus, by themselves demonstrate that each of these milestones has been met. It is unnecessary, therefore, to add to the public record the information Skynet has redacted. No public interest would be served, and competitive harm would be caused, by

² See, e.g., *Examination of Current Policy Concerning the Treatment of Confidential Information Submitted to the Commission*, 13 FCC Rcd 24816, 24822 (1998).

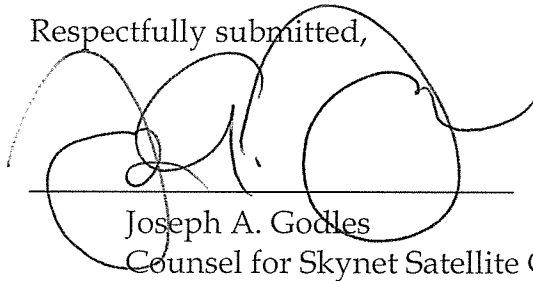
requiring Skynet to reveal information such as the exact amounts Skynet must pay for the satellite, its technical specifications, the manufacturing processes mandated under the contract, or the results of the CDR or particular status of various subsystems under construction as revealed in the quarterly progress report.

Given these circumstances, “a balancing” of the interests favoring disclosure and non-disclosure³ weighs heavily in favor of allowing non-disclosure of the information that has been redacted.

IV. CONCLUSION

For the reasons stated herein, Skynet requests that the Commission withhold from public inspection the information that has been redacted from its milestone showing. If its request is not granted, Skynet asks that all non-public materials be returned to it.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Godles', is written over a horizontal line. The signature is stylized and cursive.

Joseph A. Godles
Counsel for Skynet Satellite Corporation

³ *Id.*