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ATTORNEYS AT LAW

Received

DEC 15 2004

Policy Branch  
International Bureau

December 13, 2004

**BY HAND DELIVERY**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

**RECEIVED**

DEC 13 2004

Federal Communications Commission  
Office of Secretary

Re: *WB Holdings 1, LLC*  
*Milestone Extension Request, SAT-MOD-20040915-00178*  
*Call Sign: S2211*

Dear Ms. Dortch:

WildBlue Holdings 1, LLC ("WBH") hereby responds to the International Bureau's request for additional information in connection with WBH's application for an extension of the launch and operation milestone for its Ka-band satellite authorization at the 109.2° W.L. orbital location.<sup>1</sup> Specifically, the staff has asked WBH to state whether (1) construction of the satellite is complete, and (2) it has a launch contract. As discussed further below, despite WBH's best efforts, and despite the fact that WBH has a current launch contract with Arianespace for that satellite, remaining uncertainty has effectively precluded it from securing a launch date that would meet the currently-applicable milestone and continues to justify the eighteen-month extension requested.

Construction of the WildBlue-1 satellite is virtually complete. Although final testing revealed certain defects, the manufacturer, Space Systems/Loral, should be able to rectify them before the March 2005 delivery date specified in the revised construction contract recently approved in the Loral bankruptcy proceeding. However, WildBlue-1 has a very similar design to the Intelsat Americas 7 ("IA-7") satellite that recently suffered an in-orbit anomaly and was almost lost entirely. Moreover, many of the components of the two satellites are identical or of identical heritage. Loral is in the process of reviewing the IA-7 situation to determine what, if any, design changes should

<sup>1</sup> See Letter from Fern J. Jarmulnek to William M. Wiltshire (dated Dec. 8, 2004).

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be incorporated into similar satellites still under construction in order to decrease the likelihood that they will suffer similar difficulties. That review must be completed – and any design changes must be effectuated – before the WildBlue-1 satellite will be ready for delivery and launch.<sup>2</sup> Unfortunately, given the recency of the IA-7 anomaly, Loral's review is in its most preliminary stage and there is no way to know when that review will be completed, what measures will be required to address the situation, and how long it will take to implement and test such measures with respect to WildBlue-1.

The uncertainty surrounding completion of the satellite continues to undercut WBH's ability to secure a definitive launch date. WBH entered into a launch contract with Arianespace in January 2003. As is fairly standard under such contracts given the vagaries of satellite construction schedules, the launch date is not specified. Rather, the process for establishing a launch window is as follows. WBH must give notice to Arianespace that it desires to be placed on the launch manifest. That notice creates a launch window that opens no sooner than 180 days after notice and closes 90 days thereafter. The actual period is dependant on the available launch opportunities on the date of the notice and therefore could be considerably longer than 270 days from the notice date. Moreover, even after the initial launch period is set, it can be further extended by Arianespace to accommodate its manifest, co-passenger logistics and the like.

In summary, the earliest WBH could expect to receive a completed satellite from Loral is March 2005. However, that date is likely to be moved back in light of the IA-7 anomaly, but the duration of that delay is not known at this time. Only after WBH has a firm delivery date for its satellite will it be in a position to give notice (and begin making the multi-million dollar payments associated with the launch call up) to Arianespace that will open a launch window. Moreover, once that launch window is set, it is still subject to further extension by Arianespace under certain circumstances.

In light of all of the uncertainty and contingency that continues to surround the construction and launch process for the WildBlue-1 satellite, WBH believes that a milestone extension to December 25, 2006 is still warranted. While WBH will continue to work toward a launch well in advance of that date, there is no guarantee that its efforts will be successful. Accordingly, WBH submits that the requested eighteen-month milestone extension is still justified and should be granted.

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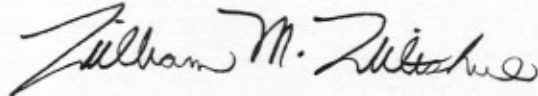
<sup>2</sup> We note that Intelsat has delayed the launch of its next satellite (the already-completed IA-8) until the IA-7 investigation report is completed, stating that "the complexity of the event means it may take several months to deliver a final report." See Press Release, "Intelsat Americas-7 Investigation Underway; IA-8 Launch Temporarily on Hold" (Dec. 10, 2004) (available at [www.intelsat.com/aboutus/press/releases.aspx](http://www.intelsat.com/aboutus/press/releases.aspx)).

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If you have any further questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "William M. Wiltshire". The signature is fluid and cursive, with the first and last names being more prominent.

William M. Wiltshire  
*Counsel for WB Holdings 1, LLC*

cc: Alyssa Roberts