

STEPTOE & JOHNSON LLP
ATTORNEYS AT LAW

ORIGINAL

Pantelis Michalopoulos
202.429.6494
pmichalo@steptoe.com

Received

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Policy Branch
International Bureau

1330 Connecticut Avenue, NW
Washington, DC 20036-1795
Tel 202.429.3000
Fax 202.429.3902
steptoe.com

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Federal Communications Commission
Office of Secretary

April 26, 2005

Via HAND DELIVERY

Mariene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: **EchoStar Satellite L.L.C.**
Application for Special Temporary Authority to Conduct Telemetry, Tracking and
Command Operations During the Relocation of EchoStar 4 to 77° W.L.
File No. SAT-STA-20050321-00068

Dear Ms. Dortch,

On April 13, 2005, the International Bureau requested additional information from EchoStar Satellite L.L.C. ("EchoStar") in connection with the above-referenced application. *See* Letter from Thomas S. Tycz, Chief, Satellite Division, International Bureau to Pantelis Michalopoulos, Counsel for EchoStar Satellite L.L.C. (Apr. 13, 2005) ("*April 13 Letter*").

EchoStar hereby submits as a partial response to the Bureau's information request an English translation of copy of QuetzSat's Broadcasting Satellite Service authorization from the Mexican government dated February 2, 2005, to operate at the 77° W.L. orbital position. EchoStar will fully respond to the Bureau's request by the due date set forth in the *April 13 Letter* -- i.e., May 13, 2005.

Marlene H. Dortch
April 26, 2005
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Please contact the undersigned if you have any questions about this filing.

Yours sincerely,

Handwritten signature of Pantelis Michalopoulos in cursive, followed by a forward slash and the initials "DCM".

Pantelis Michalopoulos
Counsel for EchoStar Satellite L.L.C.

Enclosure

cc: (by hand)

Thomas S. Tycz, International Bureau
Karl Kensinger, International Bureau
Jay Whaley, International Bureau

cc: (by mail)

Karis A. Hastings, Hogan & Hartson L.L.P., *Counsel for SES Americom, Inc.*

**MINISTRY OF COMMUNICATIONS AND TRANSPORTATION
VICE-MINISTRY OF COMMUNICATIONS**

Concession to occupy the geostationary orbital position 77° West assigned to the country and to develop its corresponding frequency bands 12.2 – 12.7 GHz. and 17.3 – 17.8 GHz., as well as the rights to broadcast and receive signals granted by the Federal Government through the Ministry of Communications and Transportation hereinafter referred to as “the Ministry”, in favor of QUETZAT, S. DE R.L. DE C.V., pursuant to the following antecedents and conditions:

ANTECEDENTS

- I. Dated March 2, 1995, the Official Gazette published the amendment to Article 28, paragraph 4 of the Political Constitution of the United Mexican States, in order to replace the exclusive participation regime of the State regarding rendering communications services via satellite for another mean allowing private companies participation. As part of the above, on June 7 year the Federal Telecommunications Law was issued, which, among other issued, sets out the ruling framework for this activity.
- II. On August 1, 1997, the Official Gazette published the Rules and Regulations for the Satellite Communications. This ordinance is intended to govern the Federal Telecommunications Law regarding Satellite Communications.
- III. Appendix 30 of the International Telecommunications Union’s Radio communications Rules and Regulations includes the Region 2 Satellite Radiobroadcast Service Plan for the American continent on frequency bands 12.2-12.7 GHz. Also, Appendix 30A of the said Rules and Regulations includes the Plan associated to the links for the Satellite Radiobroadcast Service for the same Region 2, on frequency bands 17.3-17.8 GHz. Hereinafter referred to as “The Plans”. Both documents were issued by the International Telecommunications Union, which resulted from the “Regional Radio communications Administrative Conference for Planning the Region 2 Satellite Radiobroadcast Service” summoned in 1983. The final minutes were approved by the “World Radio communications Administrative Conference to Use of Geostationary Satellites’ Orbits and Planning the Associate Spatial Services using it” (CAMR-ORB85) of 1985. By virtue of the said Plans, each Member State of the International Telecommunications Union was awarded the use of a certain number of geostationary orbital positions for permanent rights on same. For Mexico, one of the orbital positions assigned is the orbital position located at 78 Degrees West Longitude (78° West), which coverage is defined on its own territory.
- IV. Using the procedure established in Section 4.2, Article 4 of the above Appendixes, the International Telecommunications Union allows a member country to request amendment to the Plans. For that purpose, it is set forth that the International Telecommunications Union publishing the notification that such Member State may file, in such a way as to other Member States considering the requested amendment may affect them, have the opportunity

to negotiate a Coordination Agreement with the requesting country. By those Coordination Agreements, member countries may settle any difficulty or technical incompatibility that may arise by the requested Plans amendment.

Upon the requesting country had entered into the appropriate Coordination Agreements, the International Telecommunications Union shall record the new characteristics of the orbital position subject matter of the coordination agreements, and will set a term to start the satellite network operations, which is to occupy the orbital position under such characteristics.

- V. In April, 1996, the Federal Government requested from the International Telecommunications Union an amendment to the Plans for the orbital position 78° West, including the intention of the using geostationary orbital position 77 Degrees Longitude West (77° West), instead of that located at 78° West. The International Telecommunications Union published said modification in Special Sections APS30/E/129 and APS30A/E/129 of the International Telecommunications Union's Weekly bulletin issue 2409 dated December 21, 1999, and associated corrections in Special Sections APS30/E/129 Corr-1 and APS30A/E/129 Corr-1, published in the International informative bulleting about Spatial Services Frequencies, IFIC No. 2449, dated July 24, 2001.

These Special Sections all technical/operational parameters for the satellite network to be located in the above position were set. Also, all countries potentially getting harmful interference – both to their satellite networks and to their land systems/services were identified.

- VI. Pursuant to procedures set forth in the Radio communications Rules and Regulations, all technical/operational parameters of the satellite network to be located in the geostationary orbital position 77° West, resulting from the corresponding coordination agreements, would remain in force until July 10, 2005 – date on which the satellite network must start its operation.
- VII. In spite of the above, on November 4, 2003, the Federal Government submitted a new request before the International Telecommunications Union including the same technical/operational information regarding the amendment to the Plans for the geostationary orbital position 77° West, considering identical coverage zones as the ones published

In the International Telecommunications Union's Weekly bulletin issue 2409 dated December 21, 1999, with the purpose of obtaining a new term to initiate the corresponding satellite network operations.

- VIII. QUETZAT, S. DE R.L. DE C.V. it was organized pursuant to the Mexican laws, as appears in public deed number 15,622, dated December 10, 2004, before Notary Public number 122 at Mexico City, Mexico Mr. Arturo Talavera Autrique.

- IX. On July 31, 2001, the Official Gazette published the call for bids to award a concession to occupy the geostationary orbital position 77° West and, develop frequency bands 12.2-12.7 GHz. and 17.3-17.8 GHz, and the rights to broadcast and receive signals. Such bid declared as desert
- X. QUETZAT, S. DE R.L. DE C.V. filed his application to the Federal Telecommunications Commission dated September 30, 2004, in order to take part in the bid for a concession to occupy the geostationary orbital position 77° West and develop frequency bands 12.2-12.7 GHz. and 17.3-17.8 GHz and the rights to broadcast and receive signals, in accordance to the SECOND Summon published in the Official gazette on September 9, 2004, and the Concessionaire appointed as the domicile to receive notification the one located at Avenida de los Insurgentes Sur No. 1605, piso 12, Col. San José Insurgentes, C.P. 03900, Mexico, D.F..
- XI. The Plenum of the Federal Competence Commission resolved, during a session held on November 11, 2004, issuing a favorable opinion to the participation of QUETZAT, S. DE R.L. DE C.V. for the aforementioned bid. Said order was notified under official notice No. SE-10-096-2004-806 dated November 12, 2004.
- XII. The Ministry, through the Federal Telecommunications Commission, analyzed and issued an opinion on the QUETZAT, S. DE R.L. DE C.V. application documentation, and in accordance to the bidding procedure stages provided for in the Bidding Bases and in Article 29 and, other associated of the Federal Telecommunications Law, resolved through official communication P/EXT/171104/54 dated November 17, 2004, granting to the QUETZAT, S. DE R.L. DE C.V. the Participation Certification as said application was duly filled out and having met all requirements set forth for that purpose.
- XIII. Provided that QUETZAT, S. DE R.L. DE C.V. by the end of the bidding submitted the highest valid bid for the concession subject matter of the said bid, in accordance to the Bidder's Manual handed out to the concessionaire. The Plenum of the Federal Telecommunications Commission, dated P/EXT/241104/59 date November 24, 2004, issued the awarded in favor of QUETZAT, S. DE R.L. DE C.V. declaring him as the winner.
- XIV. On November 14, 2004, QUETZAT, S. DE R.L. DE C.V. made the payment for the corresponding consideration to the Federal Government in the amount of \$153,013,050.00 (One hundred and fifty three millions thirteen thousand and fifty pesos 00/100).

For the above, and based on Article 36 of the Organic Law of Federal Public Administration; 11, section III, 12, 29 and other associated of the Federal Telecommunications Law; 4 and 5, Section XI of the Ministry of Communications and Transportation's Internal Regulations; 4, 5, 12, and other applicable of the Satellite Communication Regulation; QUETZAT, S. DE R.L. DE C.V., hereinafter "The Concessionaire, is awarded the concession to occupy the geostationary orbital position 77° West assigned to the country, and develop its corresponding frequency

bands 12.2-12.7 GHz. and 17.3-17.8 GHz, plus the rights to broadcast and receive signals. This concession shall be subject to the following:

CONDITIONS
Chapter One - General provisions

1.1. **Terms definitions.** For this Concession Title and the Technical Exhibits which are integral part of the same, plus the definitions mentioned in Article 3 of the Federal Telecommunications Law and, 2 of the Satellite Communication Rules and Regulations, the following definitions apply:

1.1.1. **Affiliates:** those companies with common shareholders/partners who shall hold shares or equity allowing them to exercise control in both companies.

1.1.2. **Law:** the Federal Telecommunications Law as published in the Official Gazette on June 7, 1995.

1.1.3. **Commission:** the Federal Telecommunications Commission.

1.1.4. **Concession:** The stated in this title to occupy the geostationary orbital position 77° West assigned to the country and, develop its corresponding frequency bands 12.2-12.7 GHz. and 17.3-17.8 GHz, and the rights to broadcast and receive signals.

1.1.5. **Rules and Regulations:** the Satellite Communication Rules and Regulations as published in the Official Gazette on August 1, 1997.

1.1.6. **Satellite System:** one or more satellites with associated frequencies and their control centers operating in an integral manner to make satellite capacity available for the rendering of satellite services, and.

1.1.7. **Users:** Individuals or companies having a public networks telecommunications concession or permits as provided for in the Law, as well as those having a concession or permit granted under the Federal Radio and TV Law, who acquired the right to temporarily use of any portion of the satellite capacity referred to in the Technical Exhibit I of the Concession.

1.2 **Purpose and Service.** This Concession is awarded to occupy the geostationary orbital position 77° West assigned to the country and, develop its corresponding frequency bands 12.2-12.7 GHz. and 17.3-17.8 GHz, as well as the rights to broadcast and receive signals, as described in the Technical Exhibit I of the Concession, in order to provide satellite capacity for Satellite Radiobroadcast Services ("SRS"), and Satellite Fixed Services ("SFS").

1.3 **Rendering of Services.** Concessionaire may make satellite capacity available to individuals or companies having a concession of telecommunications public networks or, a permit as provided for in Article 31 of the Law.

Should the Concessionaire intends rendering services to other persons than those mentioned above, same shall be done through its affiliates, subsidiaries, or branches

having a concession for a telecommunications public networks or, with a permit to operate as a telecommunications services marketer.

As for SRS, the Concessionaire may make available its capacity to those individuals or companies having a concession or permit granted under the Federal Radio and TV Law.

1.4 Technical Specifications and Coverage Area. The technical specifications for the Satellite System shall comply with the provisions set forth in the Law, the Rules and Regulations, the International Telecommunications Union's Radio communications Rules and Regulations (UIT), the Official Mexican Standards, all applicable administrative provisions, and to the technical specifications, operation characteristics and coverage area mentioned in the Technical Exhibit I of the Concession

1.5 Satellite System Infrastructure. The infrastructure comprising the Satellite System is described in the Technical Exhibit II of the Concession.

1.6 Modification to the technical specifications and coverage area. When the Concessionaire requires modifying the technical characteristics or the coverage area described in the Technical Exhibit I of the Concession, he shall previously get authorization by the Commission.

1.7 Capacity Reserve. In accordance to Article 29 of the Rules and Regulations, satellite operators shall reserve a portion of their capacity in every frequency band, which will be used by the state at no cost, for national security networks exclusively and for social services. The portion of satellite capacity intended for the reserve in favor of the State for the geostationary orbital position 77° West, as well as the specific criteria on the Satellite Capacity Reserved for the State ("CSRE"), is mentioned below:

1.7.1. Satellite capacity equal to 87.48 MHz. with its frequency pairing, or 3 channels of usable 24-Mhz. bandwidth per channel for SRS, but feasible for SFS, or for Restricted Satellite TV/Audio Services ("STVARVS"), in accordance with UIT's Radio communications Rules and Regulations, as well as with Antecedents III and IV. Said satellite capacity shall cover all of the national territory. The satellite capacity previously mentioned, is calculated from the total channels of the Satellite System as per the Canalization Plan as defined in the technical exhibit I of the Concession, so, in any case, CSRE will be proportional to the installed capacity and available for operations in the Satellite System

1.7.2. The CSRE's use and operation shall be subject to the technical/operational set forth for SRS Plan on frequency bands 12.2-12.7/17.3-17.8 GHz. For Region 2 (Appendix 30 and 30A of UIT'S Radio communications Rules and Regulations, and Antecedent V, for SRS, SFS, and STVARVS.

1.7.3. The transmission quality that the Concessionaire provides for services rendered using CSRE shall be equal to that offered for his other services.

1.7.4. CSRE shall not be used by the Concessionaire, except for duly justification and provided Ministry so expressly authorizes in writing.

1.7.5. CSRE shall be supplied and distributed in accordance with determination by the Ministry, once the satellite is in commercial operation

1.7.6. CSRE may be used for SRS, SFS and STVARVS. The Ministry and the Concessionaire could agree that the CSRE reserved in a band of frequencies, may be reassigned to other bands, or in its case, in any other authorized satellite system to operate in Mexico, they cost will be assumed by the Concessionaire and with the same guarantees of service of the CSRE in its own system.

1.7.7. Should any assumptions come up resulting in permanent reduction of the total satellite capacity occupying the geostationary orbital position 77° West, CSRE will reduce it in the same ratio.

1.7.8. Should the transmissions under the CSRE take place, the Concessionary shall relocate said transmissions as to secure the services continuity and, if necessary, he shall give them priority even above any other transmission. The relocation shall be immediate made, except when that is not technically feasible.

1.7.9. For the CSRE access, the Ministry and the Concessionary shall establish an operative agreement setting the technical/administrative/operative terms and conditions to manage and operate same.

1.7.10. The CSRE provided in this condition shall be managed by the Ministry through the General Direction in charge of the telecommunications policy or by the managing unit that substitutes it.

For future satellites, the Ministry is to define the capacity to be reserved for the state under the same criteria and principles contained in the Rules and Regulations and in this concession.

1.8. Term in effect. The concession term in effect shall be for 20 years started to be computed from its award date, and could be extended per the law, the rules and regulations and other applicable ruling and administrative legal provisions.

1.9 Term to place in orbit the satellite system. The Concessionaire shall put the satellite system in orbit at the 77 degrees west geostationary satellite position, within a term not exceeding 5 five years from the date of its award.

1.9.1 Should the placement in orbit and in operations of a satellite of the satellite system, before July 10, 2005, the Concessionaire shall comply with the satellite coordination conditions in effect on the date the concession is awarded for the 77 degrees west geostationary satellite position, and carry out at its own cost and through the Ministry, before July 10, 2005, the appropriate administrative diligence before the UIT.

1.9.2 In case the placement in orbit and operation of said satellite takes place after July 10, 2005, the Concessionaire shall carry out at its own cost, through the Ministry, the necessary satellite coordination procedures to operate the satellite system on the 77 degrees west geostationary satellite position, on later dates to July 10, 2005, and the Concessionaire shall honor

said Coordination agreements, including the procedure to amend the plans mentioned in item VII. Should this occurs, the Concessionaire acknowledges that the coordination terms mentioned in the condition number 1.9.1 could change due to the new plan's amendment procedure; therefore he commits to occupy the 77 degrees west geostationary satellite position, and develop the associated frequency bands pursuant to the terms resulting from the procedure mentioned in item VII, and within the term set in the first paragraph of item 1.9

1.10 Term to start rendering services. The Concessionaire shall start rendering services mentioned in item 1.2, at the latest 180 (one hundred eighty) calendar days from the satellite system orbit placement date, stated in item 1.9 above, for that purpose he shall inform the Ministry and the Commission the initiation of services rendering within 15 (fifteen) calendar days after it takes place.

1.11 Applicable legislation. The operation and development of the satellite system covered by the concession, including its services, shall be subject in the applicable to the stated in the Political Constitution of the Estados Unidos Mexicanos, the law, the radio communications UIT's rules and regulation, the rules and regulations and to the International treaties, laws, rules and regulations, decrees, Official Mexican standards, orders, agreements, bulletins, and other legal administrative provisions that for such purpose may be issued by the Ministry or the Commission, and to the conditions set forth in the concession and in the technical exhibits.

The Concessionaire accepts that if the legal and administrative provisions mentioned in above paragraph, were abolished, amended or modified, the Concessionaire shall be subject to the new applicable legislation and administrative provisions, from the time those enter into effect.

1.12 Other concessions. The Concession does not grant any exclusive rights to the concessionaire; therefore, the Ministry is entitled to award concessions to other entities to occupy and develop geostationary positions or satellite orbits assigned to the country, with their corresponding associated frequency bands and the rights to broadcast and receive signals to render identical or similar services as those under this concession.

1.13 Other satellites in the geostationary position. Pursuant to the radio communications rules and regulations, the SRS plans are based on an orbital separation of 0.4 degrees between satellites with contra polar adjacent channels, this meaning, every satellite network would operate with two satellites placed at +/- 0.2 degrees in regards to the center of the cluster.

The same plans contemplate and allow the possibility to include in one same spatial station the two channels clusters, both even as odd and, occupying any orbital position within the cluster.

For the last case, a single satellite could be located at a position within the orbital arch that runs from 76.8 degrees to 77.2 degrees west, using all the channels. For the above, a maintenance tolerance in position of +/- 0.1 degrees shall be used.

1.14 Capacity provision through affiliates, filial or subsidiaries. Previous authorization by the Ministry, the concessionaire could render services as stated in item 1.2 hereunder, through affiliates, filial or subsidiaries. In spite of this, the concessionaire

shall be at all times the single liable before the Ministry, the Commission and before any competent authority regarding the strict compliance with the concession obligations.

1.15 Assignment of Rights. The Concessionaire could assign previous authorization by the Ministry, either total or part of the rights and obligations set forth in the concession, pursuant to article 35 of the law, and other applicable legal/ ruling and administrative provisions.

1.16 Powers or mandates. In no case, the concessionaire could grant powers or general mandates for acts of ownership, irrevocable in nature intended or that may make possible that the empowered or mandating party to execute rights or obligations regarding the concession.

1.17 Liens. When the concessionaire constitutes a lien on the concession or rights thereunder, he shall record the applicable documents in the Registration Office mentioned in article 64 of the law, within 30 (thirty) calendar days from the date it is constituted. The Commission will qualify the documents submitted for its registration and shall proceed to record them in the telecommunications registration, when those comply with the stated in this concession, the law and other applicable legal, administrative or ruling provisions.

The document that states the warranty granted shall expressly set that its execution, in no case will grant the concessionaire nature to the creditor or to any third party, it shall also expressly set that in order for the concession be awarded to the creditor or to a third party, it will be necessary that the Ministry authorizes such rights assignation pursuant to the terms of article 35 of the law, or that such creditor or third party gets a concession pursuant to articles 11, section III of the law, and 4 of the rules and regulations.

In no case the concessionaire could assign cause a lien, give as pledge, mortgage or transfer the concession, the rights granted thereunder and the goods related to same to any foreign government or state.

1.18 Nationality. The Concessionaire shall not have in regards to this concession any other right except as the ones granted to the Mexicans; therefore, the concessionaire and his foreign partners, if any, commit not to request and not to accept the diplomatic intervention from any foreign country, under the penalty of loosing in the benefit of the Mexican country, all the property and rights they might had obtained due to the concession.

1.19 Neutral investment. Pursuant to title 5 of the foreign investment law, the neutral investment shall not be computed in the concessionaire's stock capital to define the foreign investment.

1.20 Companies with state participation of foreign countries. It will not be deemed as a share participation of a foreign country or state, the one made by companies that have state participation of foreign countries, which are not deemed as authorities under the internal legislation of the country of origin and, which have legal standability and own patrimony.

1.21 Shares underwriting or transference. The Concessionary commits to make available to the Ministry and the Commission, the shares or stock capital distribution with their applicable participation percentages, whenever so required by any of them, when the later exercise their corresponding faculties to verify and require information.

Should any assumption regarding underwriting or transference of shares or stock capital, in one action or several actions representing 10% (ten percent) or more of the company's stock capital, the Concessionaire shall comply with the following regime.

1.21.1 The Concessionaire shall notify the Ministry about the interested parties' intention to assign the shares or part of stock capital either directly or indirectly and, such notification shall include detailed information regarding the interested parties in acquiring such shares or capital stock parts;

1.21.2 The Ministry within a 90 (ninety) calendar days started to be computed from the notification, to object in writing and due to justified cause any such transaction, and

1.21.3 Upon that term had elapsed without any objection from the Ministry, it will be deemed as approved.

Only the transactions that had not been objected by the Ministry could, if any, be recorded in the shareholders record, without this limiting the fact of getting all other authorization that may be required from other authorities, this pursuant to the applicable legal, ruling and administrative provisions.

It will not be required to file the notification mentioned in item 1.21.1 under the following cases: a) When the underwriting or transference is for shares or stock capital representing neutral investment pursuant the foreign investment terms; b) for capital increase underwritten by the same shareholders, providing their participation proportion in the stock capital is not modified for any of them; c) in cases when such transference or underwriting be related to shares with limited vote on matters mentioned in article 113 of the General Law for Mercantile Associations, and d) when acquisitions are made by Managers of Funds for Retirement, or through the stock market by investment companies.

Should the party interested in underwriting or acquiring shares or stock capital is a company, the notification cited in item 1.21.1 above, he shall submit the necessary information disclosing the identity of the individuals who may hold patrimonial interests above 10% (ten percent) of such company's capital.

This condition shall be expressly reflected in the Concessionary's by-laws, and in the titles or certificates issued by same concessionaire.

The Concessionary commits to notify the Ministry about any modification on the shares distribution or to the right enabling the control on the concessionaire's shareholders part, and of the affiliated, if any.

The limits for foreign participation stated by the law, could not be exceeded, either directly or through trusts, titles (*incorporation documents*), or by the by laws, pyramidal frameworks, not by any other mechanisms that might grant the control or a participation greater than the one permitted by the law.

1.22 Legal representative appointment. At all times, during the concession term in effect, the concessionaire shall have at least a legal representative with general powers for lawsuits and collection and for managing acts, pursuant to article 2554 of the Federal Civil Code, accredited before the Ministry and the Commission, without this limiting the fact that the he can appoint other legal representatives, who may represent the concessionaire before the Ministry and the Commission, previous the payment of the applicable rights.

1.23 Registration in the Telecommunications Registry. The Concessionaire must comply with the registration obligations cited in article 64 of the law, and with the terms of the section I, of above mentioned article. The concessionaire shall record this concession and its technical exhibits and, when applicable, its amendments, within the following 30 (thirty) calendar days after its award date.

1.24 Concession extracts Publication. The Concessionaire shall make the arrangements at his own cost, the publication in the Official Gazette of the Federation of an extract of this concession, within a 60 (sixty) calendar day term from the date it is awarded. The extract content hereunder shall be coordinated with the Ministry before publishing it.

The Concessionaires shall send to the Ministry and the Commission a sample of such publication within the following 10 (ten) working days from its publication.

Second Chapter

Provisions that apply to the satellite system operation and services.

2.1 Satellite system operation. The Concessionaire is obliged to:

2.1.1 The Concessionary shall provide the Ministry with the recourses and information that may be required to conclude any international coordination process as well as for any other process that may be required to operate the satellite system.

2.1.2 Assuming the liability for the satellite system control and operation; for that purpose, he shall establish and maintain the main and alternate satellite system control and operation centers, within the domestic territory, pursuant to article 57 of the law.

2.1.3 That the operation of the above mentioned control centers are carried out preferably by Mexicans;

2.1.4 Make the necessary installations in order for the control centers be capable to limit or interrupt, at all times, the satellite or satellites emissions whatever they are, upon the Commission's request and,

2.1.5 Secure that the service be provided with good quality and continuity, even when replacing the satellite or satellites.

2.2 About the international coordination. In order for the Ministry be in the position to conclude the international coordination process for the orbital position hereunder, the Concessionaire is obliged before the Ministry to:

2.2.1 Not exceeding the technical and operation parameters set forth in the special sections mentioned in item V, and in the technical exhibit I, or of any later modification to said parameters that may derive from the amendment mentioned in item VI.

2.2.2 Help to conclude the international coordination process for the orbital position and its associated frequencies, especially with those countries which coordination agreement is pending.

2.2.3 Comply with the technical requirements that may become demandable derived from the coordination agreements that may be entered with the countries identified as affected.

2.2.4 Should the satellite in position project requires modifying the technical and operation parameters included in the special sections mentioned in item V, and in the technical Exhibit I, the concessionaire shall be liable to carry out all the necessary actions and provide all the recourses that may be required to conclude a new international coordination process.

2.2.5 The Concessionaire shall deliver the Ministry the definite technical project, including the spatial and terrestrial segments, upon he had agreed upon the final design with the manufacturer of. Said project must comply with the conditions and agreements resulting from the international coordination process, and which are part of the technical Attachment I of the concession.

2.2.6 Certain portions of the associated bands to the orbital position are currently occupied by point to point and point to multi point microwave links. The concessionaire shall comply with the clearance conditions that may be set, if any, in order to avoid damaging interferences to and from other radio communication systems.

The Commission will publish, at it proper time, if such is the case, the guidelines under which he shall carry out the associated frequency bands clearance of the orbital position hereunder, which may be then used by concessionaries of the microwave links, properly accredited.

2.2.7 The Ministry could, at any time, grant the concession of one or more additional satellite systems within the orbital arch to +/- 2 degrees (plus/ minus 2 degrees) of the 77 degrees west geostationary orbital position (i.e. between 75° and 79° west), but in bands with other frequencies; therefore, the concessionaire commits to carry out on his own account and risk, all the necessary operations to enable the co-location of other satellite systems, for

other or the same services in radio electric frequencies segments other than the ones awarded hereunder.

The above, providing the coverage and frequencies usage characteristics, and the satellite in position technical parameters and, of the other systems projected so permit.

2.3 Frequency bands usage coordination in case of damaging interferences. Should any damaging interference arises, the Concessionaire shall coordinate the bands usage associated to the 77 degrees west geostationary orbital position, with other concessionaires or operators, which are authorized to operate in Mexico, frequency bands associated to foreign satellites or to other domestic satellites, as well as the other concessionaries beneficiaries or concessionaries of radio communication networks, authorized to the date the concession is awarded. The Concessionaire shall file a coordination application before the Commission, and the later will resolve accordingly, pursuant to the procedures set by the UIT.

2.4 Service quality. The Concessionaire is obliged to render the service hereunder continuously and efficiently, pursuant to the applicable legal, ruling and administrative provisions and, pursuant to the technical characteristics set in the concession and in the technical Exhibit I.

Likewise, the concessionaire commits to provide the service covered hereunder under satisfactory quality, competitively, continuity and permanence conditions and, he shall refrain to apply discriminatory or crossed subsidies practices among services in competence or through its affiliates or filial, among other.

The concessionaire commits that the service under the concession be rendered under the best price, diversity and quality conditions in the benefit of the users, this in order to promote an efficient development of the satellite services. For that purpose, the Concessionaire shall send the Commission within 180 (one hundred eighty) following calendar days to the date this concession is awarded, the minimum quality standards for services which he undertakes to honor, without this limiting the fact that he complies with the general rules that for that purpose may be issued by the Commission.

2.5 Service operation. The Concessionaire shall adopt the measures resulting necessary in order for the service covers the domestic territory.

When replacing satellites, the Concessionaire shall maintain, at least, the same satellite capacity to render services in the domestic territory, which if necessary to handle the internal demand, could be decreased, as expressly authorized by the Commission, taking care of the coverage and efficiency needs during the service rendering.

2.6 Service interruption. Should the service rendering is interrupted to one or more users during a term that exceeds the term stated in the plan mentioned in item 2.11 hereunder; the concessionaire shall reimburse the users for the corresponding part for the time such interruption lasts.

2.7 Complaints and repairs system. The Concessionaire shall establish a system to receive claims and to repair failures of the service rendering hereunder.

The Concessionaire shall prepare a report including failure incidence by month and type, and the corrective actions adopted and, the modifications made, if any, same that he shall submit to the commission, when the later so requires. Such report must include information for the last 12 months.

The Commission may make that information available to the public along with the information from other concessionaires rendering similar services in the country or in the same region.

2.8 Agreements. Without prejudice of the provisions of the Concession, Concessionaire undertakes to subject to approval by the Commission, at least thirty (30) calendar days prior to start rendering services, the draft agreements to be executed by the Users regarding rendering the said service, in accordance with all legal, regulatory, and administrative provisions.

Any modifications to the said agreements shall require preapproval by the Commission.

2.9 Commercial Practices Code. Concessionaire shall make available to the Commission and the Users at its Commercial office, a Commercial Practices Code clearly and shortly describing all service modes provided by Concessionaire, the billing methodology and the application of the corresponding rates. It shall also duplicate those provisions contained in the service rendering agreement for the service modes, and describe the procedures and tools to receive, follow-up, and resolve User complaints.

The Commission may request the modification of its terms based on the opinion issued by the Federal Consumer Agency.

2.10. Contingency Plans.

2.10.1 Contingency Plans with other Concessionaires. Concessionaire acknowledges and accepts that contingency situations may arise which may require to provide technical/operational assistance, and the supply –based on the recorded rates – of capacity of spatial segment for its satellites, to the other domestic/international satellite concessionaires, to the degree Concessionaire has available capacity and equivalent coverage to support the failed satellite service.

In such virtue, Concessionaire shall submit for approval by the Commission, within one hundred and eighty (180) calendar days, as of orbital positioning of the Satellite System, a Contingency Plan to be prepared and signed in coordination with the rest of the domestic/international satellite concessionaires, in order to face the situations herein referred to. The Commission shall supervise compliance with this Plan and may at any time request modifications to the same.

Should any failures arise affecting the operation and transmission of other domestic satellites, the Concessionaire shall give priority to the relocation in its satellite system of the reserved spatial segment capacity for the state to operate the national security networks and social nature services, as well as

other strategic services operated by the Mexican government, so as to secure the continuity of such services. Such being the case, the uplink signals transmission for those services, shall be invariably made on domestic territory.

2.10.2 Contingency plan for service disruption. Concessionaire shall submit for approval by the Commission, within one hundred and eighty (180) calendar days as of placing the Satellite System in orbit, a Contingency Plan in the event of service disruption and to secure continuity in case of partial or total failure of any elements of the Satellite system. Such Plan shall include, at least the following:

2.10.2.1. Notification procedure between Concessionaire areas engaged in service to failures and coordination with the corresponding areas of the other concessionaires who will provide backup including their names, numbers and operative contacts for the people in charge of the control centers, among other issues;

2.10.2.2. Procedure to coordinate with the satellite service users;

2.10.2.3. Procedure for access and migration of users to the backup satellite,

2.10.2.4. Actions and measures to be taken in the short, medium and long term to backup the users in order to secure service continuity.

The Concessionaire shall immediately report to the Ministry and the Commission about any event that may affect in a general or significant manner the service.

2.11. Emergency services. The concessionaire shall subject to the Commission's approval within the following one hundred and eighty (180) calendar days, as of placing in orbit of the Satellite System, an action plan to render emergency services in case of disaster or acts of God.

The concessionaire commits to render emergency services within its coverage area at no cost for as long and in the proportion that the emergency so requires.

Chapter Three Rates

3.1. Rates determination. Concessionaire will set the rates applicable for the service established in the Concession. These will allow the Concessionaire to render the service under satisfactory quality, competitively, security and permanence conditions. These rates shall be recorded with the Commission, prior to their coming into force. Also, Concessionaire may not adopt discriminatory practices in the application of said rates, in accordance with Articles 60 and 61 of the Law.

3.2. Unduly Charge of Rates. Should the Concessionaire charges the users rates other than those recorded or different than the ones established, as the case may be, in accordance with Article 61 of the Law, Concessionaire shall reimburse the difference with respect to registered/established rates within a term not exceeding thirty (30) calendar days. This without limiting the fact of any penalties imposed in accordance with the Law and other applicable legal regulatory and administrative provisions.

3.3. No cross-subsidy. The Commission may from time to time verify that the recorded rates do not constitute cross-subsidy in terms of Article 62 of the Law. For this purpose, Concessionaire shall provide all appropriate information, within sixty (60) calendar days following the date he receives the appropriate request from the Commission.

3.4. Specific Duties. If determined that Concessionaire has material power in the relevant market, the Commission, in accordance with the procedure determined by the Commission for this purpose, may set forth Specific Duties for Concessionaire regarding rates, service quality and information.

3.5. Service Break-down. The invoice issued to the Users by Concessionaire shall break down all charges applied for rendering of the services referred to in the Concession.

Chapter Four Verification and Information

4.1. Information. Without limiting the powers of the Ministry and the Commission to require all kinds of information from the Concessionaire, in terms of Article 68 of the Law, concessionaire shall submit to the Commission, within one hundred and fifty (150) calendar days following closing of the corresponding year:

4.1.1. All audited financial statements broken down by service mode and, as the case may be, by geographical area, and

4.1.2. A description of the Satellite System used for the rendering of the service in accordance with all formats as established by the Commission.

4.2. Statistical Information. Concessionaire shall make available to the Commission all statistic information for Satellite System capacity usage.

4.3. By-laws amendment - Change of domicile. Concessionaire shall notify the Ministry and the Commission, within fifteen (15) calendar days following the date the following occur:

4.3.1. By-laws amendment, and

4.3.2. Change of the domicile stated in Antecedent X of the Concession.

4.4. Verification and Supervision of Service rendering. Without limiting the provisions contained in this Chapter, the Commission may, at all times, require from Concessionaire, all technical, administrative, and financial information, and any other data or document deemed necessary or advisable by the Commission for supervising duly observance of the provisions hereof, and to exercise the verification and

supervision powers, in order to ensure service rendering complies with all legal, regulatory and administrative applicable provisions.

Chapter Five Collateral

5. Collateral. Concessionaire shall set up collateral for compliance of all duties as established herein through a bond contracted with the Bonding Institution authorized by the Ministry of Finance. This bond shall be submitted with the Commission within a term no longer than thirty (30) calendar days as of granting hereof, in the amount of \$7,385,695.00 (seven million three hundred and eighty five thousand six hundred and ninety five pesos 00/100 domestic currency.), in favor of the Treasury of the Federation. This bond shall back up the payment of pecuniary penalties that, as the case may be, are imposed by the Ministry for breach of the duties derived herefrom.

The amount of the bond shall be yearly updated in accordance with the National Consumer Price Index (INPC) or the index replacing INPC. For such a purpose, it shall be submitted with the Commission at the latest of March 1 of each year or on the date established by the Commission (prior notification to Concessionaire).

For yearly update of the bond's amount, said amount shall be multiplied times the INPC of December of the immediately preceding year and the result divided by the INPC of December of the year preceding the latter. As the case may be, cents and rounding up/down resulting from calculation of the above update shall be ignored.

Without prejudice of the above, Concessionaire undertakes to increase the bond's amount, when, deemed necessary by the Commission, within a term not exceeding ten (10) working days as of the date of reception of the corresponding notification.

This collateral shall remain in force through the term of the Concession. However, should upon maturity of same there be pending duties, the latest bond set forth shall remain in force as long as said duties are not completed.

The policy issued on the bond shall contain an express statement that the Bonding Institution accepts the provisions of Articles 95 and 118 of the Federal Law of Bonding Institutions in force and waiver of all benefits of excussion and discussion.

Chapter Six Requisition

6. Requisition. In the terms of Article 66 of the Law, in case of natural disaster, war, serious disturbance of the public order or upon anticipation imminent danger to the national security, the country's internal peace or to the national economy, the Ministry may perform a requisition of the orbital position and all associated frequencies, all ancillary services, works, constructions and other dependencies and accessories of it, as well as all real and personal property necessary to operate the service and use all this as deemed appropriate. The Ministry may also use the personnel then on duty as deemed necessary. Requisition will remain for as long as the conditions that caused same.

The Ministry, except in the event of war, shall indemnify Concessionaire, and pay for all damages at their actual value. Should there not be an agreement on the amount of indemnification, all damages shall be determined by experts appointed by both parties. In the case of losses, they shall be based on the average net income of the year preceding the requisition. Each party shall pay for half the expenses arising from the experts' audit. The rights of all workers shall be observed in accordance with the appropriate Law.

Chapter Seven Termination, Jurisdiction, Competence, and Consideration.

7.1. Termination of the Concession. The Ministry shall proclaim the administrative termination of the Concession due to the reasons set forth in Article 37 of the Law.

7.2. Promise to lease. If termination of the Concession, Concessionaire undertakes to execute a lease with the Ministry with respect to all property associated with operation of the Satellite System service. Said obligation shall remain in force for four (4) months following termination of the Concession.

The term of the said lease shall be at least one (1) year and shall be automatically renewable for equal terms and up to five (5) years. The amount of the said lease shall be determined by experts (one appointed by Concessionaire and the other by the Ministry and, in case of discrepancies, by a third party appointed by both experts. If Concessionaire should not assign an expert, or the expert is not stated, it shall be understood as a waiver of the right to appoint him and the unconditional acceptance of the opinion issued by the Ministry's expert.

7.3. Considerations to the Federal Government. In accordance with Article 29 of the Law, Concessionaire has paid the Federal Government, dated XXXXXXXX a one-time consideration in the amount of \$153,013,050.00 (One hundred and fifty three millions thirteen thousand and fifty pesos 00/100). This consideration was equal to the value of the valid bid for the highest economic value bid in the final bid.

Additionally, Concessionaire shall pay for the right of use of appropriate radio electric spectrum frequency bands in order to provide the service herein referred to, in accordance with the provisions of the Federal Rights Law in force. Receipt of payment for rights shall be forwarded to the Commission.

7.4. Jurisdiction. For all that related with the construal of and compliance with the Concession and all Technical Exhibits, except for administrative issues to be resolved by the Ministry/Commission, Concessionaire agrees to be subject to the jurisdiction of the Federal Courts located in Mexico City, Federal District. Likewise, Concessionaire shall waive the jurisdiction that may apply to Concessionaire by reason of its current or future domicile.

The scope and effects of the obligations herein contained shall be construed in accordance with the applicable legislation referred to in item 1.11 hereof and all provisions contained in the call for bids, Bases and other documents associated with the Bid Procedure for orbital position 77°W as referred to in Antecedents IX, X y XII hereof.

The Concessionaire's domicile shall be located without exception within the territorial boundaries of the United Mexican States.

7.5 Federal Government Disclaimer. Responsibility by the Federal Government is limited to granting of the right to occupy the 77° W geostationary orbital position and to develop the associated frequency bands hereunder.

Mexico, D.F., February 2, 2005

**THE MINISTER OF COMMUNICATIONS AND TRANSPORTATION
PEDRO CERISOLA Y WEBER**

**[THE CONCESSIONAIRE]
THE ATTORNEY-IN-FACT**

This page of signatures corresponds to the Title of Concession granted by the Federal Government via the Ministry in favor of [THE CONCESSIONAIRE], to occupy the 77° West geostationary orbital position assigned to the country and to develop its corresponding frequency bands 12.2 – 12.7 GHz. and 17.3 – 17.8 GHz., as well as the rights to broadcast en receive signals.

Technical Exhibit I of the Concession to occupy 77° West geostationary orbital position allocated to the country and to develop corresponding frequency bands 12.2 – 12.7 GHz. and 17.3 – 17.8 GHz., as well as the rights to broadcast and receive signals granted by the Federal Government via the Ministry of Communications and Transportation under the Federal Telecommunications Law, in favor of QUETZAT, S. DE R.L. DE C.V. dated February 2, 2005

TECHNICAL SPECIFICATIONS

Parameter	Value adopted by Parameter
Frequency Range Downlinks (Space-Earth) Uplinks (Earth-Space)	12.2 – 12.7 Ghz. 17.3 – 17.8 Ghz.
Serviced Zone	<ul style="list-style-type: none"> • Mexico • United States of America (See all related to Special Sections referred to in Antecedent VI of the Concession)
Power supplied to transmission aerial	22.6 dBW
Isotropic Gain of Transmission aerial in the maximum radiation direction	33 dBi
Isotropic Gain of reception aerial in the maximum radiation direction	33 dBi
Type of Polarization Odd Channels Even Channels	Circular Right (dextrogiros) Circular Left (levogiros)
Base Band Composition	Digital audio/video and multiplexed data channels
Additional Restrictions derived from Coordination Agreements: - Power Flow Density value produced by transmission of Satellite that will not be exceed at no time over the Cuban Territory	- 115 dB(W/m ²)

**Channeling plan for radio electric spectrum frequencies for Satellite
Radiobroadcast Service for Region 2, on frequency bands 12.2 – 12.7 Ghz. And
17.3 – 17.8 Ghz.**

Channel	Central Frequency (MHz.)	
	Downlinks (Space-Earth)	Uplinks (Earth-Space)
1	12224.00	17324.00
2	12238.58	17338.58
3	12253.16	17353.16
4	12267.74	17367.74
5	12282.32	17382.32
6	12296.90	17396.90
7	12311.48	17411.48
8	12326.06	17426.08
9	12340.64	17440.64
10	12355.22	17455.22
11	12369.80	17469.80
12	12384.38	17484.38
13	12398.96	17498.96
14	12413.54	17513.54
15	12428.12	17528.12
16	12442.70	17542.70
17	12457.28	17557.28
18	12471.86	17571.86
19	12486.44	17586.44
20	12501.02	17601.02
21	12515.60	17615.60
22	12530.18	17630.18
23	12544.76	17644.76
24	12559.34	17659.34
25	12573.92	17673.92
26	12588.50	17688.50
27	12603.08	17703.08
28	12617.66	17717.66
29	12632.24	17732.24
30	12646.82	17746.82
31	12661.40	17761.40
32	12674.98	17775.98

Name of Satellite	
Type of Satellite	Geostationary
Geostationary Orbital Position	77° West Longitude
Polarization	Circular Right (dextrorotatory) Circular Left (levorotatory)
FREQUENCY BANDS	
Uplinks	17.3 – 17.8 Ghz.
Downlinks	12.2 – 12.7 Ghz.
Coverage	The total territory of the United Mexican States
Maximum P.I.R.E.	53.6 dBw

Technical Exhibit II of the Concession to occupy the geostationary orbital position 77° West allocated to the country and to develop corresponding frequency bands 12.2 – 12.7 GHz. and 17.3 – 17.8 GHz., as well as the rights to broadcast and receive signals granted by the Federal Government, via the Ministry of Communications and Transportation under the Federal Telecommunications Law in favor of QUETZAT, S. DE R.L. DE C.V. dated

SATELLITE SYSTEM DESCRIPTION

- Transmission, telemetry and command Subsystem (TT&C)

The telemetry and command subsystem will consist of receptors and redundant transmitters, which may be operated by:

- (a) An omni directional antenna for operations during the orbital transfer and emergency operations in the final position,
- (b) Long range Antenna for operations during the orbital transfer and operations in the final position (control and telemetry),
- (c) Through communication antenna for the operational mode in the final position.

The design will allow that all automatic functions of the satellite will be block through the utilization of certain commands, in case it is necessary.

- Communication Subsystem

In order to assure the maximum reliability, the satellite to be built will have redundant receptors and transponders. The communication through receptors of Ku band is typically configured through configuration 4:2 so any one of the two receptors will complete the mission.

- Operation and Control Center of the Satellite System

The satellite network that will be positioned in 77° West, will be monitored by an Operation and Control Center located within Mexican territory. The facilities in which the operation and control will be performed will operated 24 hours per day, seven days a week. The Operation and Control Center will have the capacity to block the automatic functions of the satellite in case it is necessary.