



1101 Connecticut Avenue, N.W.
Suite 1200
Washington, D.C. 20036

April 15, 2013

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

Re: Supplement to Application of Inmarsat Hawaii Inc., SES-LIC-20120426-00397, SES-AMD-20120823-00781; Request for Determination of Compliance with Satellite Implementation Milestones and Bond Reduction

Dear Ms. Dortch:

Inmarsat Hawaii Inc. (“Inmarsat Hawaii” and, together with its affiliates, “Inmarsat”) supplements its pending application with documentation demonstrating that Inmarsat has met the first three milestones required for geostationary satellites in Sections 25.137(d) and 25.164 of the Commission’s rules. Specifically, Inmarsat SA has: (i) entered into a binding non-contingent construction contract for the construction of the Inmarsat-5 F2 (“I5F2”) spacecraft, satisfying the first milestone requirement; (ii) completed critical design review (“CDR”), satisfying the second milestone requirement; and (iii) commenced physical construction of the I5F2 spacecraft, satisfying the third milestone requirement.¹ Inmarsat Hawaii accordingly requests that the amount of the performance bond required to be posted as a condition to the Commission’s grant of market access for the I5F2 satellite be reduced by 75 percent to \$750,000.

In support of the foregoing, Inmarsat Hawaii submits the following documentation:

(i) a compact disc containing a copy of the Contract, including all Annexes and Change Notices between Inmarsat SA and Boeing Satellite Systems International, Inc.

¹ See 47 C.F.R. § 25.164(a); *see also* Amendment of the Commission’s Space Station Licensing Rules and Policies, First Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 10760 at ¶¶ 174-5 (2003) (“*Licensing Reform Order*”);.

(“Boeing”) for the Purchase of the Inmarsat 5 Spacecraft entered into on August 5, 2010, including all amendments to date (the “Contract”);²

(ii) a signed statement from Stephen Schmidt, Inmarsat 5 Program Manager, and Patrice Gray Mitchell, Inmarsat 5 Contracts Manager, each of Boeing (“Boeing Statement”), attesting to completion of CDR and commencement of physical construction, and that as of February 14, 2013, Inmarsat has made 40 percent of the payments that are due to Boeing for the I5F2 satellite;

(iii) photographs of the I5F2 satellite under construction; and

(iv) a signed statement from Franco Carnevale, Vice President, Satellite & Launch, of Inmarsat Employment Company Limited (Jersey), an affiliate of Inmarsat SA, has paid 40 percent of payment that are due to Boeing for the I5F2 satellite and verifying the above-referenced photographs.

Inmarsat is submitting the Contract in a public filing with the confidential information redacted. Inmarsat is simultaneously filing the above-referenced documents in unredacted form under separate cover along with a request for confidential treatment in accordance with Sections 0.457 and 0.459 of the Commission’s rules.³

As demonstrated by the documents listed above, Inmarsat SA entered into the Contract for the design and construction of the satellite on August 5, 2010.⁴ The Contract meets the Commission’s criteria for the contract milestone.⁵ In addition, Inmarsat completed CDR as of September 30, 2011.⁶ Further, significant portions of the satellite have already been completed, and in connection with these construction activities, Inmarsat has made 40 percent of

² All Change Notices amending the Contract are being provided. Note that a Change Notice numbered “10” does not exist.

³ 47 C.F.R. §§ 0.457, 0.459.

⁴ Upon the launch of the satellite, Inmarsat SA will pass ownership of the satellite to its commonly controlled affiliate, Inmarsat Global Ltd (UK).

⁵ *See Mobile Communications Holdings, Inc.*, Memorandum Opinion and Order, 18 FCC Rcd 11650 at ¶ 14 (2003) (demonstration of compliance with the first milestone requires entry into a non-contingent satellite construction contract that identifies the specific satellite and its design characteristics, and specifies the dates for the start and completion of construction, payment terms and a schedule for payments).

⁶ The Commission has found CDR to be met based on a statement by the satellite manufacturer that CDR has been completed and that payments have been made pursuant to the construction contract through CDR. *See, e.g.*, Intelsat License LLC, File No. SAT-LOA-20110610-00105, Call Sign S2827 (stamp grant Oct. 9, 2012).

the payments due to Boeing Satellite Systems International, Inc. (“Boeing”) under the Contract.⁷ The photographs also being submitted are of the I5F2 satellite bus and payload under construction. The I5F2 spacecraft is on schedule to be ready for delivery to the launch base in the first quarter of 2014.

On the basis of the documentation submitted, Inmarsat respectfully requests that the Commission determine that Inmarsat has satisfied three of the four milestones set forth in Section 25.164 of the Commission’s rules. In addition, Inmarsat requests that the Commission’s grant of market access to the I5F2 satellite be conditioned upon a reduced performance bond amount reflecting the satisfaction of the first three milestones. Specifically, Inmarsat requests that the grant include a bond requirement of \$750,000.

Respectfully submitted,

_____/s/_____

Diane Cornell
Vice President, Government Affairs

⁷ The third milestone requires a satellite authorization holder to provide “sufficient information to demonstrate to a reasonable person that [it has] commenced physical construction of [the] licensed spacecraft.” *Licensing Reform Order*, 18 FCC Rcd 10760 at ¶ 193; *see also* 47 C.F.R. § 25.164(a)(3). The Commission has declined to adopt specific tests or other requirements for demonstrating satisfaction of the third milestone.

Certification of Franco Carnevale

The undersigned hereby certifies to the Federal Communications Commission under penalty of perjury that the following is true and correct.

1. I am Vice President, Satellite & Launch, at Inmarsat Employment Company Limited (Jersey), and am responsible for oversight of the construction of the Inmarsat-5 F2 satellite.
2. The photographs submitted herewith depict the Inmarsat-5 F2 satellite under construction as of January 29, 2013.
3. To date, Inmarsat has made 40 percent of the payments that are due to Boeing for the Inmarsat-5 F2 satellite.



Franco Carnevale

April 12, 2013

In Reply Refer To: INM 13-0910

14 February 2013

Inmarsat Global Limited
Attn: Inmarsat SA
99 City Road
London
EC1Y 1AX
England



Attention: Mr. Tommy Smith
Sr. Contracts Manager

Subject: Inmarsat 5 Spacecraft Contract – Completion of CDR and Construction of F2 (AOR)

Reference: Inmarsat 5 Spacecraft Contract INM-CO/10-4909/TS

Dear Mr. Smith:

This Letter is provided to Inmarsat Global Limited to summarize the current progress of the Inmarsat Spacecraft Contract.

1. The Spacecraft Critical Design Review was completed on 30 September 2011.
2. The F2 (AOR) Spacecraft is currently under construction and is approximately 45% complete.
3. Pursuant to the Payment Milestone Schedule that is included in the satellite manufacturing contract, Inmarsat has made 40% of the payments that are due to Boeing for this satellite and is current with its required payments

The AOR Spacecraft is scheduled to ship to the launch site in the first quarter of 2014.

The undersigned hereby certify that the above statements are true and correct.

Best Regards,


Stephen Schmidt
Inmarsat 5 Program Manager


Patrice Gray Mitchell
Inmarsat 5 Contracts Manager

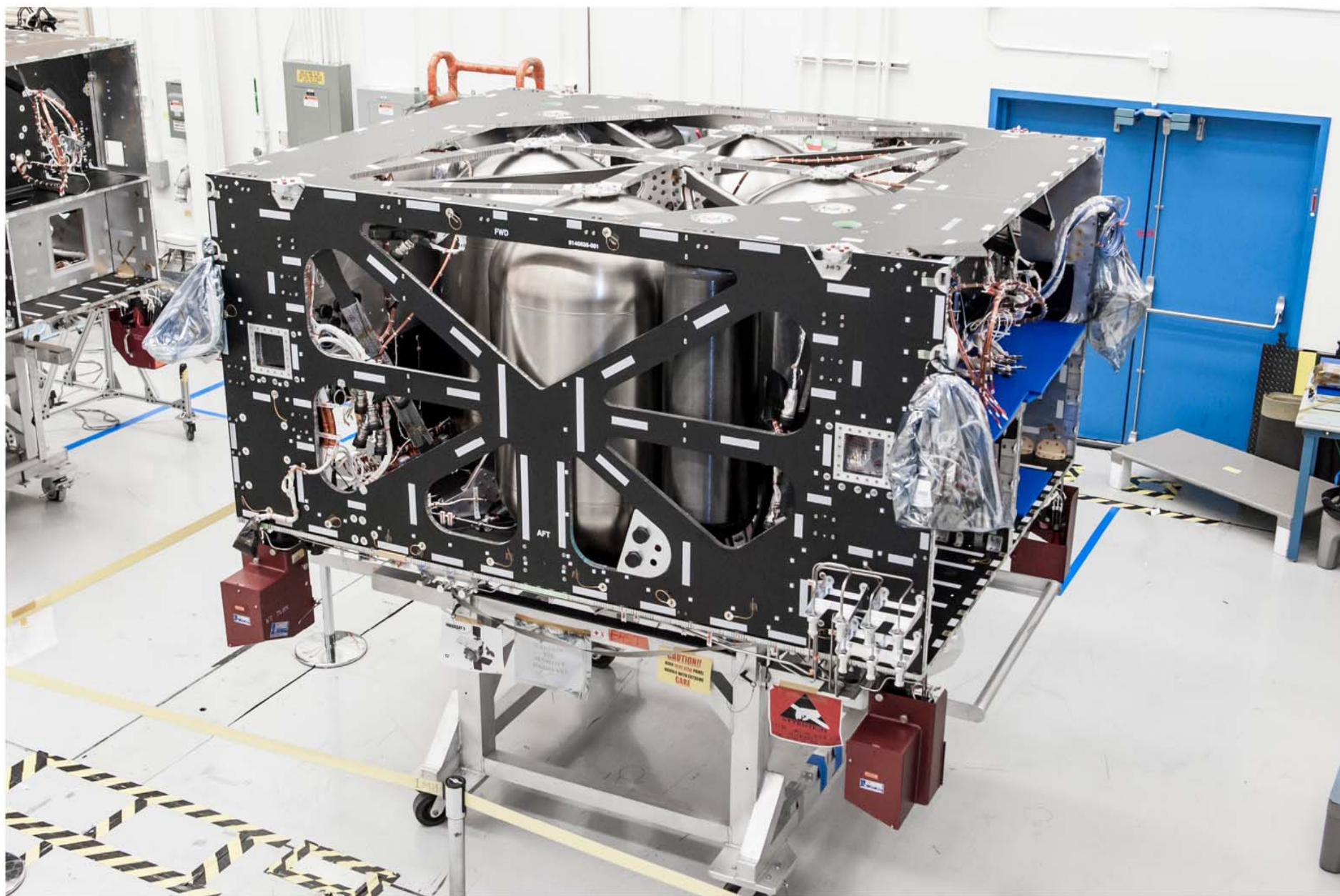


Image # SEF13-00742-014
Date: 01/29/2013

**BUS AND PAYLOAD
OVERALL**

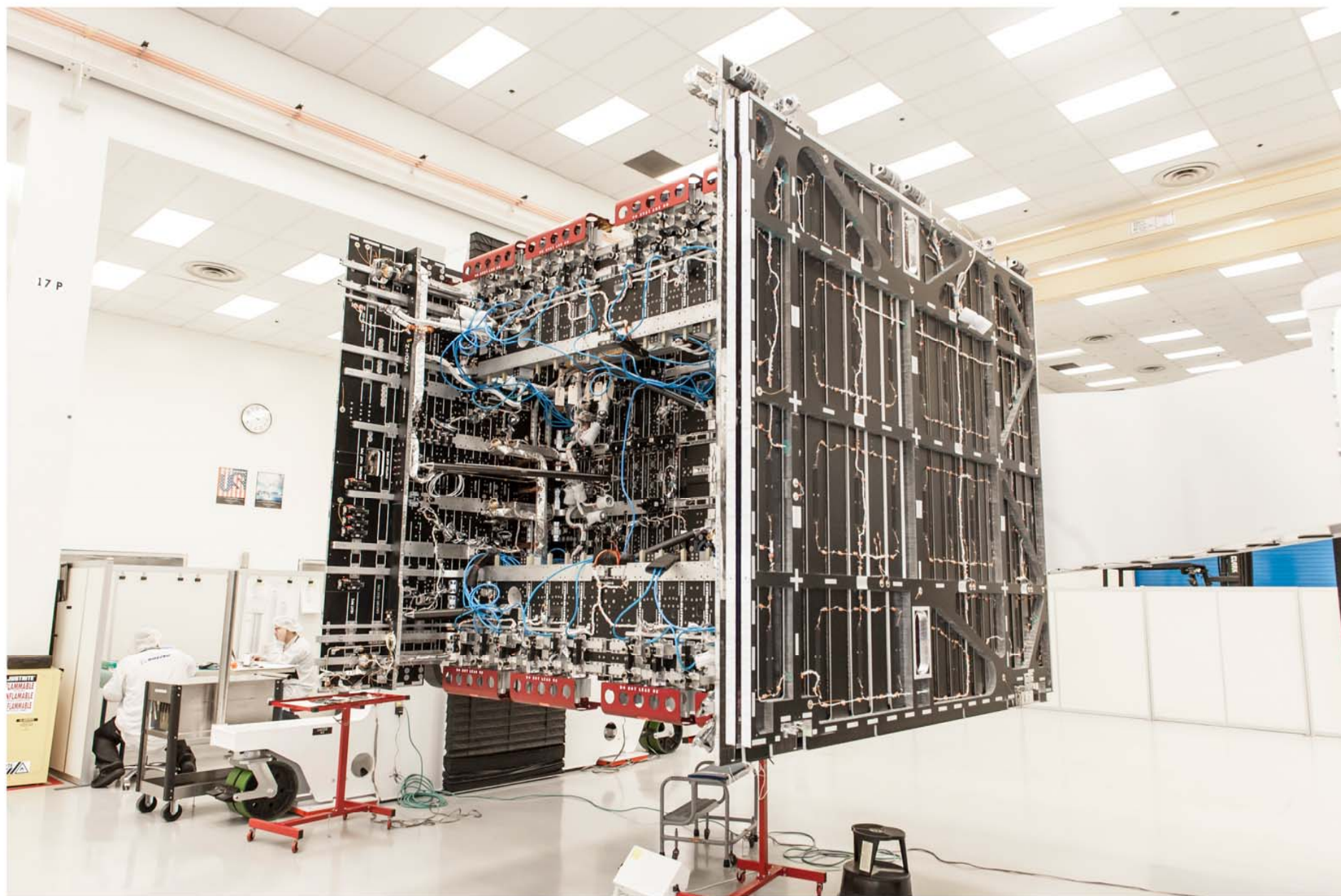


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Date: 01/29/2013

**BUS AND PAYLOAD
OVERALL**