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May 26, 2006

Ms. Magalie Roman Salas  
Federal Communications Commission  
Satellite and Radiocommunication Division  
445 12<sup>th</sup> Street SW  
Washington, DC 20054

Attention: International Satellite Engineering Branch

Re: Rule 1.65 Supplemental Information Kapolei, Hawaii  
**Call Sign:** E980250 **File Number:** SES-MFS-20060224-00295

Dear Ms. Salas:

Loral Network Services Inc. respectfully requests that per Rule 1.65, the supplemental information, Eco-Sat Analysis for Bhutan, Palau and Micronesia be accepted as a minor amendment for FCC **File Number:** SES-MFS-20060224-00295.

Please contact Stanley Edinger if you have any questions concerning this correspondence at:

Loral Skynet  
Attn: Mr. Stanley Edinger, Manager  
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500 Hills Drive, P.O. Box 7018  
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Sincerely,

**Stanley Edinger**

Copy to: Mr. Scott Kotler (FCC) Washington, DC  
Ms. Shahnaz Ghavami (FCC) Washington, DC  
Mr. Paul Noone

# ECO-Sat Analysis Palau

## **This application meets the requirements of § 25.137(a)(1)(2) for earth stations operating with non-U.S. licensed space stations**

The Loral Telstar-18 satellite is a non-US-licensed located at 138° E.L. operating under authority from the Kingdom of Tonga (ITU designation TONGASAT/Ku-3), a non-WTO member country that has requested accession to the WTO, and a WTO working party is working on this request.

Palua maintains an “open skies” policy. Palau’s earth stations are now served by one U.S. satellite Intelsat 701 located at 180°E and a New Skies satellite NSS 5 located at 177°W.

Palau is a self-governing territory in free association with the U.S. pursuant to a Compact of Free Association (“Compact”) which entered into force in 1994.<sup>1</sup> Palau is fully responsible for its domestic affairs and conducts foreign policy as a sovereign nation. The U.S. retains full authority and responsibility for security and defense issues. The Compact also provides grant funds and Federal program assistance, principally through the Department of the Interior and other U.S. government agencies. The U.S. dollar is the currency of Palau and the U.S. Postal Service delivers the mail.

Article III of the Compact provides that the U.S. remains the sole administration entitled to make notifications to the International Frequency Registration Board of the ITU for frequency assignments to radio communications stations in Palau.<sup>2</sup> The FCC has jurisdiction over all domestic and foreign communications services furnished by satellite earth stations where such stations are owned or operated by U.S. common carriers and are located in Palau.<sup>3</sup> The Compact also permits the U.S. to operate telecommunications services in Palau to the extent necessary to fulfill the obligations of the U.S. under the Compact and related agreements.<sup>4</sup> Palau may also receive loans and other funds from the U.S. Department of Agriculture’s Rural Utilities Service (RUS) program under the Rural Broadband Access Loan and Loan Guarantee Program for the costs of construction, improvement and acquisition of facilities and equipment for broadband services in eligible rural communities.<sup>5</sup>

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<sup>1</sup> U.S. Public Law 99-658; 48 U.S.C.A. § 1931. The Compact expires in 2044. Previously, Palau was considered a Trust Territory of the Pacific Islands (TTPI) as created by the United Nations in 1947. The U.S., specifically the Department of the Interior, was the administering authority of the TTPI.

<sup>2</sup> U.S. Public Law 99-658, Title I, Article III; 48 U.S.C.A. § 1931 (Title I, Article III, Historical and Statutory Notes).

<sup>3</sup> Id.

<sup>4</sup> Id.

<sup>5</sup> An eligible rural community is defined a “any incorporated or unincorporated place in the United States, its territories and insular possessions (including any area within the Federated

Palau previously received communications services via Intelsat 804, which experienced a total loss on January 14, 2005, due to a sudden and unexpected electrical power system anomaly.<sup>6</sup> Palau is already an underserved area and replacement of communications services, including basic telecommunications services provided by Palau National Communications Corporation (“PNCC”), previously provided by Intelsat 804, is vital to this island nation. PNCC is the government-owned local exchange carrier in Palau and the only local exchange carrier and interexchange carrier providing local and international telecommunications throughout Palau. PNCC has asked that Loral Network Services Inc. via the Telstar- 18 satellite provide alternate communications to Palau. All communications in Palau are interconnected with the U.S. and international public switched networks via the one satellite earth station in Palau that PNCC owns.

The public interest will be served for reasons mentioned above. The Loral Telstar-18 satellite located at 138° E.L. will provide a dependable coverage for Palau.

The Kapolei earth station (E980250), the only Loral owned facilities with connectivity to Telstar-18, will be used to provide diversified connectivity to the earth stations in Palau via its gateway earth station located in Kapolei, Hawaii with connectivity within its coverage of Hawaii, Asia, and Australia.

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States of Micronesia, the Republic of the Marshal Islands, and the Republic of Palau) that.....” 7  
C.F.R. § 1738.2

<sup>6</sup> Intelsat Reports Loss of IS-804 Satellite, *News Release*, January 16, 2005. See  
[http://www.intelsat.com/aboutus/press/release\\_details.aspx?year=2005&art=20050116\\_01\\_EN.x  
ml&lang=en&footer=85](http://www.intelsat.com/aboutus/press/release_details.aspx?year=2005&art=20050116_01_EN.xml&lang=en&footer=85)

# ECO-Sat Analysis

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The Loral Telstar-18 satellite is a non-US-licensed located at 138° E.L. operating under authority from the Kingdom of Tonga (ITU designation TONGASAT/Ku-3), a non-WTO member country that has requested accession to the WTO, and a WTO working party is working on this request.

The Federated States of Micronesia (FSM) maintains an “open skies” policy. The Federated States of Micronesia’s earth stations are now served by Intelsat 701 located at 180° E NSS 5 located at 177°W and Pas 2 located at 169°E.

To provide the FSM with telecommunication services, FSM Telecom (FSMT) utilizes various satellites. FSMT has earth stations in operation in Chuuk, Kosrae, Pohnpei, and Yap.

In 1979 the Federated States of Micronesia, a UN Trust Territory under US administration, adopted a constitution. In 1986 independence was attained under a Compact of Free Association with the US, which was amended and renewed in 2004. Present concerns include large-scale unemployment, over-fishing, and overdependence on US aid.

Economic activity consists primarily of subsistence farming and fishing. The islands have few mineral deposits worth exploiting, except for high-grade phosphate. The potential for a tourist industry exists, but the remote location, a lack of adequate facilities, and limited air connections hinder development. The Amended Compact of Free Association with the US guarantees the Federated States of Micronesia (FSM) millions of dollars in annual aid through 2023, and establishes a Trust Fund into which the US and the FSM make annual contributions in order to provide annual payouts to the FSM in perpetuity after 2023. The country's medium-term economic outlook appears fragile due not only to the reduction in US assistance but also to the slow growth of the private sector.

The FSM has over 8,400 subscribers with a telephone density of 8.02 telephone lines per 100 population. All telecommunication services are provided by the FSM Telecommunications Corp (FSMTC), a public corporation.

Providing the FSM with telephone service is a challenge due to the fact that FSMTC’s service area stretches across one million square miles of the western Pacific Ocean. The FSM includes 607 islands, with some of the outer islands being among the most isolated land masses on earth. FSMTC will continue to invest in the future in order to improve its services. As the Internet Service Provider for the FSM, the company plans to expand its Internet Services to meet the growing demand. Telecommunication services will be expanded to the more isolated and remote

islands in the FSM; and the company is exploring options, including the use of a LEO (Low Earth Orbit) satellite system to provide these services.

Telstar-18 satellite service is necessary and will serve the public interest by providing educational, internet and other services initially via earth stations in FSM built to accommodate the demand for service to various US entities that may have interests in the FSM, the surrounding area, and remote operations by making critical information readily available. The Telstar-18 satellite will provide a dependable and a diversified connectivity coverage footprint for the FSM.

The Kapolei earth station (E980250), the only Loral owned facilities with connectivity to Telstar-18, will be used to provide diversified connectivity to the earth stations in FSM via its gateway earth station located in Kapolei, Hawaii with connectivity within its coverage of Hawaii, Asia, and Australia.

# ATTACHMENT C

## ECO-Sat Analysis

**This application meets the requirements of § 25.137(a)(1)(2) for earth stations operating with non-U.S. licensed space stations**

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Although Bhutan is not a WTO member country, Bhutan has requested accession to the WTO, and a WTO working party is working on this request.

Bhutan is a WTO observer country. Its Working Party was established on 6 October 1999. Bhutan submitted a Memorandum on the Foreign Trade Regime in February 2003. Replies to a first set of questions concerning the Memorandum were circulated in April 2004, along with a comprehensive set of documentation. Bilateral market access negotiations have begun on the basis of initial offers in goods and services submitted in August 2005. A Factual Summary of Points Raised (an informal document outlining the discussions that take place in the Working Party) was circulated in August 2005. The Working Party held its second meeting in October 2005 to continue the examination of Bhutan's foreign trade regime.

Ambassador Wolfgang Petritsch, at the second meeting of the Working Party on the accession of Bhutan on 6 October 2005, said members must keep in mind Bhutan's special status as a land-locked, least-developed country in the negotiations.

Bhutan maintains an “open skies” policy. Bhutan’s earth stations are now served by 1 U.S.Intelsat (satellite 904?????????) the Russian Express AM3 satellite located at 140°E, and a Netherlands NSS 6 satellite located at 95° E.

the Agila 2, already provide service to Bhutan.

Helvetas was founded in 1955 as the first private organization for development co-operation in Switzerland. Helvetas is a denominationally and politically independent association, supported by approximately 43'000 members, 40'000 sponsors and 16 regional groups. The service provided to Helvetas would support their education promotion initiative. The sites would be located at National Institute of Education Paro, Bhutan and National Research Training Institute Lobesa, Bhutan.

The overseas program includes the most varied development projects, which are implemented by about 450 local, and 50 Swiss staff members in 22 partner countries. Geographically, the key sectors are rural areas of the poorer countries of Africa, Asia – including Central Asia and the Caucasus – and Latin America.

Helvetas is oriented expressly not only towards material needs or aims, such as procuring food and improved living conditions, increased production and income or improved infrastructures. Equally important are immaterial aims – that is, social, cultural, and spiritual ones. These include the overcoming of paralyzing dependence, reduction of inequality, building up of self-confidence or the strengthening of responsibility towards other human beings and the environment. Together with the concerned people, Helvetas also seeks to create an economic, social, and political system which enables men and women to work towards these targets. Also important are the promotion of democratic structures, opportunities for participation, and joint responsibility as citizens. Organizations, enterprises and also states should be governed by adhering to ethical, socially compatible, economic, and ecological principles and criteria. Finally, societal processes should take place in a non-violent manner by using mechanisms of conflict management.

Helvetas Bhutan has a mandate to represent Swiss Agency for Development and Cooperation (SDC) in Bhutan. The SDC under the Federal Department of Foreign Affairs is responsible for Bilateral and Multilateral Development Co-operation, Humanitarian Aid and Swiss Disaster Relief, and Technical Co-operation with Eastern Europe. The mandate of SDC's Development Co-operation is to alleviate poverty, ensure sustainability, aid victims, resolve conflict, ensure peace, empower the disadvantaged, ensure equitable development for both men and women, foster understanding between cultures, and support human rights.

Swiss assistance in Bhutan is based on a partnership in the three priority sectors: "[Education and Culture](#)", "[Renewable Natural Resources](#)" and "[Rural Infrastructure](#)".

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Additional information is available at <http://www.helvetas.ch/wEnglish/index.asp> and <http://www.helvetas.org.bt/>

We must also keep in mind Bhutan's special status as a land-locked, least-developed country. The terrestrial infrastructure in Bhutan will not support a dependable alternative for services in the near term. TELSTAR 18 will provide the most dependable coverage footprint for this location. The Kapolei earth station, the only Loral owned facilities with connectivity to Telstar 18, will be used to provide connectivity to the earth stations in Bhutan.



Other than satellite communication the only other means to connect to the world is international telephone and telegraph service via a landline and microwave relay service provided through India.

The public interest will be served for reasons mentioned above. The Loral Telstar-18 satellite located at 138° E.L. will provide a dependable coverage footprint for Bhutan.

The Kapolei earth station (E980250), the only Loral owned facilities with connectivity to Telstar-18, will be used to provide diversified connectivity to the earth stations in Bhutan via its gateway earth station located in Kapolei, Hawaii with connectivity within its coverage of Hawaii, Asia, and Australia.