



Federal Communications Commission  
Washington, DC 20554

International Bureau

March 8, 2007

Ms. Chantal Beaumier  
Director, Space and International Regulatory Activities  
Radiocommunications and Broadcasting Regulatory Branch  
Industry Canada  
15<sup>th</sup> Floor, 300 Slater Street  
Ottawa, Ontario, Canada  
K1A 0C8

Re: Operations of the DIRECTV 1R and DIRECTV 1 Space Stations

Dear Ms. Beaumier:

This letter is to confirm the informal understandings of the Canadian Department of Industry (Industry Canada) and the Federal Communications Commission (FCC) concerning certain technical issues involving the operation of two Broadcasting Satellite Service (BSS) satellites, DIRECTV 1R and DIRECTV 1, by DIRECTV Enterprises, LLC (DIRECTV) and Telesat Canada (Telesat). DIRECTV and Telesat have entered into an amended memorandum of agreement, and a satellite relocation and lease agreement. These agreements concern, in part, the technical issues discussed in prior correspondence, dated June 21 and 24, 2005, between the FCC and Industry Canada.

**The Transaction between DIRECTV and Telesat**

DIRECTV currently operates the DIRECTV 1R satellite at the 100.85° W.L. orbital location, subject to FCC authority. The DIRECTV 1 satellite is currently located at the 72.5° W.L. orbital location, where Telesat operates it pursuant to an authorization from Industry Canada.

DIRECTV has agreed to relocate the DIRECTV 1R satellite to the 72.5° W.L. orbital location, and, after completing that move and handing off customer traffic at that location, to make available the capacity on the DIRECTV 1 satellite for use by Telesat at either the 82° W.L. or 91° W.L. orbital location. Telesat has agreed to provide DIRECTV with an exclusive right to use all of the capacity on the DIRECTV 1R satellite at the 72.5° W.L. orbital location until December 31, 2009. Additionally, upon the exercise of certain options outlined in the amended agreement and subject to approval by the Canadian and U.S. governments, operations of DIRECTV 1R at the 72.5° W.L. orbital location under

Canadian authorization may be extended beyond the December 31, 2009 service termination date on a month-to-month basis. The amended agreement further provides that, once the DIRECTV 1R satellite has arrived at the 72.5° W.L. orbital location, the DIRECTV 1 satellite will be moved first to the 72.7° W.L. orbital location to transfer traffic to DIRECTV 1R, and then drifted to the 82° W.L. or 91° W.L. orbital location to augment service from Telesat's other satellites. Under the relocation and lease agreement between DIRECTV and Telesat, DIRECTV 1 will be relocated to the 91° W.L. orbital location for a lease terminating on March 1, 2009, but the termination date may be extended on a month-by-month basis until the end of life of the satellite. DIRECTV may, under certain circumstances, recall the DIRECTV 1 satellite from the 91° W.L. orbital location to one of DIRECTV's FCC-licensed orbital locations upon 5 days' notice to Telesat, in the event that DIRECTV 1 is needed to replace some or all of the capacity of certain DIRECTV satellites due to a catastrophic satellite or launch failure.

The agreement contemplates that, once DIRECTV 1R is at the 72.5° W.L. orbital location, it will be operated under the direction and control of Telesat. DIRECTV and its subcontractors will perform telemetry, tracking, and control functions (TT&C functions) on behalf of Telesat. The agreement also contemplates that, pursuant to an existing operations agreement between DIRECTV and Telesat, Telesat shall continue to provide TT&C functions for DIRECTV 1 until it is no longer used for service at the 82° W.L. or 91° W.L. orbital locations.

On January 18, 2007, Industry Canada authorized Telesat to operate the DIRECTV 1R satellite at the 72.5° W.L. orbital location, and to operate the DIRECTV 1 satellite at the 82° W.L. or 91° W.L. orbital location. DIRECTV filed with the FCC a request for special temporary authority to relocate the DIRECTV 1R satellite from its currently authorized location to the 72.5° W.L. orbital location. DIRECTV also filed a request to modify its blanket earth station authorization to substitute DIRECTV 1R for DIRECTV 1 as the point of communication for consumer earth stations in the United States, and to extend the term of that authority to December 31, 2009. DIRECTV also requested special temporary authority for TT&C frequencies to be used by the DIRECTV 1 space station as it is relocated from the 72.7° W.L. orbital location to the 91° W.L. orbital location. This last application also contemplates the concurrent operation of both the DIRECTV 1R and DIRECTV 1 satellites at the 72.5° W.L. and 72.7° W.L. orbital locations, respectively, for a short time to accommodate satellite testing and transfer of traffic from DIRECTV 1 to DIRECTV 1R.

**Informal Understandings between Industry Canada and the FCC on certain technical issues concerning operation of DIRECTV 1R and DIRECTV 1:**

The FCC and Industry Canada have concurred on the following technical issues concerning the contemplated operations of DIRECTV 1R and DIRECTV 1:

1. At the 72.5° W.L. orbital location, DIRECTV 1R operations will be subject to Canadian authority. At the 72.7° W.L., 82° W.L. and 91° W.L. orbital locations,

DIRECTV 1 operations will be subject to Canadian authority. Because these locations involve Canadian entries to the Region 2 Plan of Appendix 30/30A of the International Telecommunication Union (ITU) Radio Regulations, the Canadian administration will have responsibility for compliance with the ITU Radio Regulations (including the requirement for licensing as specified in Article 18.1 of the Radio Regulations, and any applicable agreement-seeking procedures) in connection with operation of the DIRECT 1R satellite at the 72.5° W.L. orbital location, and the DIRECTV 1 satellite at the 72.7° W.L., 82° W.L. and 91° W.L. orbital locations.

2. The following operations of the DIRECTV 1R satellite will be subject to licensing by the FCC:
  - a. Any operations of the satellite other than at the 72.5° W.L. orbital location.
  - b. Any operations as a result of equipment failure in the satellite that results in the inability to maintain the satellite within  $\pm 0.1$  degrees of its assigned position at the 72.5° W.L. orbital location.
3. The following operations of the DIRECTV 1 satellite will be subject to licensing by the FCC:
  - a. Any operations of the satellite other than i) operations during transfer of traffic at the 72.7° W.L. orbital location, ii) at the 82° W.L. orbital location, iii) at the 91° W.L. orbital location, or iv) while it is moving between the 82° W.L. and 91° W.L. orbital locations.
    - a. Any operations as a result of equipment failure in the satellite that results in the inability to maintain the satellite within  $\pm 0.1$  degrees of its assigned position at the 72.7° W.L., 82° W.L. or 91° W.L. orbital location.
    - c. Any operations after the termination of the lease agreement.
4. Industry Canada, through the Director, Space and International Regulatory Activities, once the Canadian licensee has been informed, will provide the FCC with four (4) days' advance written notice (e-mail with confirmed receipt from the FCC's Chief, International Bureau, Satellite Division, will be considered sufficient) of any planned termination or expiration of the Canadian License for the DIRECTV 1 or DIRECTV 1R satellites.
5. Industry Canada will condition the DIRECTV 1R and DIRECTV 1 Licenses to require Telesat to maintain, barring catastrophic failure of satellite components, the capability to de-orbit the DIRECTV 1R and DIRECTV 1 spacecraft to an orbit consistent with ITU Recommendation S.1003-1, Environmental Protection of the Geostationary-Satellite Orbit.

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The informal understandings set forth in this letter concerning operation of the DIRECTV 1R and DIRECTV 1 satellites do not constitute a concurrence by the FCC or the United States Administration with any Canadian filings with the ITU Radiocommunication Bureau at the 72.5° W.L., 82° W.L., or 91° W.L. orbital locations under Appendices 30 or 30A of the ITU Radio Regulations. It is my understanding that the FCC and Industry Canada will, separately, and as part of the agreement-seeking process applicable under the ITU Radio Regulations, work in good faith to complete that process, insofar as necessary, in connection with the operation of the DIRECTV 1R satellite at the 72.5° W.L. orbital location and the operation of the DIRECTV 1 satellite at the 82° W.L. or 91° W.L. orbital location.

The FCC has not issued any of the authorizations that would be necessary to provide direct-to-home services to customers in the United States using the DIRECTV 1R satellite at the 72.5° W.L. orbital location. The FCC has received both an application for special temporary authority to relocate the DIRECTV 1R satellite to the 72.5° W.L. orbital location, and an application for amendment of DIRECTV's blanket authorization of earth stations seeking to receive direct-to-home transmissions in the United States from the 72.5° W.L. orbital location. The FCC has also received an application for special temporary authority to relocate the DIRECTV 1 satellite from 72.7° W.L. to 91° W.L. These applications will require separate action by the FCC. This exchange of letters does not constitute approval of any of these applications.

In the event of the failure of a DIRECTV satellite, and upon the exercise by DIRECTV of any contractual rights to move the DIRECTV 1 or DIRECTV 1R satellites, and in the event that there are any provisions in Telesat's license from Industry Canada, or any provisions in the Canadian laws and regulations governing the telecommunications operations of Telesat Canada that would preclude or otherwise limit the exercise of DIRECTV's contractual rights within the time frames specified in the DIRECTV/Telesat agreement, the FCC would appreciate the opportunity to consult with Industry Canada, prior to any exercise of such licensing authority, or applications of such law or regulations by Industry Canada. I would appreciate acknowledgment of these views and expression of any views which Industry Canada may have concerning the matter discussed in this paragraph. Let me also express the FCC's willingness to discuss this matter further, in the event, at a later date, it becomes necessary to do so.

Lastly, all notices, inquiries, and correspondence from Industry Canada concerning these matters should be directed to the Chief, Satellite Division, International Bureau (phone number 202-418-0719) (e-mail: Robert.Nelson@fcc.gov, with a copy to Karl.Kensinger@fcc.gov), on the part of the FCC. The FCC will forward all notices, inquiries, and correspondence concerning these matters to the Director, Space and International Regulatory Activities (phone number 613-998-3819) (e-mail: beaumier.chantal@ic.gc.ca), on the part of Industry Canada. Please let us know if this address subsequently changes.

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If the foregoing corresponds to your understanding of the informal arrangements between our two agencies concerning the various technical issues involved in the relocation of DIRECTV 1R to the 72.5° W.L. orbital location and operation at that location, and the relocation of DIRECTV 1 to the 91° W.L. orbital location, please confirm by return letter. Thank you.

Sincerely,



Robert G. Nelson  
Chief  
Satellite Division

cc: Paul Bush  
Vice President, Broadcasting & Corporate Development  
Telesat Canada

Michael W. Palkovic  
Executive Vice President and Chief Financial Officer  
DIRECTV Enterprises, LLC