

Historic ruling outlaws pay-TV piracy

Hong Kong SAR

The Cable & Satellite Broadcasting Association of Asia (CASBAA) has announced that the High Court in Hong Kong has entered judgment in favour of the plaintiffs in civil actions against the five remaining defendants for importing and trading in unauthorised satellite TV signal decoding equipment.

In his ruling, the Judge granted an injunction prohibiting the defendants from trading in unauthorised 'smart cards' and associated apparatus stating that such use was 'offensive and must be stopped'.

"We hope that this Judgment

will encourage the Government to take further action in enforcing the law on the trade of illegal pay-TV decoders," said CASBAA Chief Executive Officer (CEO) Simon Twiston Davies. "The latest indications from the government are encouraging."

In the Judgment the Court held that the defendants had breached Hong Kong's copyright law and had no licence to deal in the plaintiffs' broadcasts. The defendants were found to have been "importing, possessing and supplying apparatus obtained in territories outside Hong Kong designed to infringe the plaintiffs'

copyright".

The defendants by trading in unlicensed equipment were also found to be authorizing the illegal reception of the plaintiffs' broadcasts by users of this equipment.

CASBAA, speaking on behalf of 120-member companies, including the major pay-TV channels based in Hong Kong, was delighted that the High Court has upheld the plaintiffs' claims.

"With this action we have won an historic decision which unequivocally signals that our industry is tackling piracy which is costing our businesses hun-

dreds of millions of US dollars each year," said Twiston Davies. "This was our first action in Hong Kong and new actions will soon be underway in other markets such as the Philippines and Thailand. This is vital work.

"The Hong Kong decision highlights the importance of protecting intellectual property rights in light of the huge investment made annually to develop great television content for the region. If these rights are not protected then investments will dry up and consumers will have their choice reduced," added Twiston Davies. ■

SAS and Connexion by Boeing sign definitive service agreement

US/Sweden

Scandinavian Airlines System (SAS) and Connexion by Boeing have signed a definitive service agreement for equipping the European air carrier's long-haul aircraft with the broadband mobile information service.

Based on the terms of the agreement, 11 SAS long-haul aircraft will be equipped with wireless technology that will allow airline passengers to access the

Connexion by Boeing service. An undisclosed number of options for expansion of the service onto additional SAS aircraft are also part of the agreement. Service installations will commence in early 2004, while aircraft model types and flight routes will be determined in the months ahead. Financial terms of the agreement were not disclosed.

Once an airliner is equipped

with the Connexion by Boeing service, SAS passengers will have the ability to use wireless-enabled laptops or Personal Electronic Devices (PEDs) for real-time, high-speed access to the full richness of the Internet including two-way e-mail, virtual private network access and streaming audio and video content, by accessing an open wireless local area network onboard.

The evolution of Wi-Fi technology into commercial airliners is expected to help simplify cabin distribution, reduce costs, and eliminate wires associated with traditional hard-wired connections. SAS also is expected to benefit from increased operational efficiencies through weight and power reductions, and reduced aircraft down time for system installation. ■

RSCC and ChinaSatCom to co-operate on telemedicine network

China

The Russian Satellite Communications Company and ChinaSatCom have signed an Agreement on Co-operation for the deployment of a satellite telemedicine network in China, Russia and South East Asia countries.

The telemedicine satellite network will use a range of medicine, telecommunications and organisational solutions to diagnose diseases in their early stages and to provide a broad

strata of the population with effective medical services by providing distant consultations with leading medical experts in the health institutions of China, Russia and other countries via advanced computer technologies. The Government of Kenya accepted a similar deployment project tailored by Russian specialists and the experts of International Telecommunications Union (ITU). The first three telemedicine centres have re-

cently been put into operation in the Republic of Chuvashiya allowing tele-consultations on-line via RSCC satellites between the Republic and the Federal District.

The new Russian-Chinese Project is designed to enhance the public health systems of China, Russia and other countries. The project is designed to improve early detection and prevention of epidemic outbreaks by supporting preventive measures.

The new project includes the

deployment of four-level telemedicine infrastructure in China, including a national telemedicine centre, regional telemedicine centres, mobile telemedicine laboratories and VSAT network connecting the three above to hold distant consultations between mobile telemedicine laboratories, regional telemedicine centres, national telemedicine centres of China and telemedicine centres outside China. ■

Alcatel to supply broadband Internet access network

China

Nanjing Toptry China-Spacenet Co Ltd, a broadband access service provider in the Peoples' Republic of China, has granted a multi-million US dollar contract to Alcatel for the turnkey delivery of a 'DSL in-the-Sky' broadband access network, including a satellite gateway, Customer Premise Equipments (CPEs) and a comprehensive network management platform.

The network, to be delivered by Alcatel before year end, will be used by Nanjing Toptry China-Spacenet Co Ltd to de-

velop its broadband service provider business over China by offering Internet web browsing, Virtual Private Networks (VPNs) and e-learning services to thousands of schools and small and medium-sized enterprises (SMEs) in rural areas.

The Alcatel Space "DSL in-the-Sky" solution, based on the DVB-RCS standard supported by a number of CPE vendors, seamlessly integrates with DSL networks and management solutions proposed by Alcatel. It offers key services differentiators such as

Quality of Service/Service Level Agreements and VPN support.

As part of the turnkey contract, Alcatel will provide the on-site network installation/ commissioning service and customer support through its local units. Nanjing Toptry China-Spacenet Co Ltd is a Jiangsu-based broadband access service provider and has extensive experience in consumer product manufacturing, distribution, customer sales and services, and has further expertise in enterprise network integration and installation. ■

Loral reaches global settlement with Alcatel

US/France

Loral Space & Communications and Alcatel have reached an overall settlement resolving all outstanding issues between them including a contract dispute that has been in arbitration. Loral will pay Alcatel US\$5 million now and an additional \$8 million within one year of closing. As part of the settlement, Alcatel will transfer its minority interest in CyberStar to Loral, and Loral will transfer to Alcatel its minority interests in two Alcatel affiliates (Europe*Star and SkyBridge) that Loral had previously written off.

Alcatel's litigation against Loral began in the spring of 2001, when Alcatel obtained a federal court order in New York prohibiting Loral and SS/L from violating joint venture arrangements dating back to 1991. Alcatel then initiated an ICC arbitration in Switzerland against Loral for breach of contract.

Alcatel won partial awards in that arbitration upholding substantially all of Alcatel's claims and rejecting all of Loral's counterclaims. Earlier this year Alcatel brought another lawsuit in New York to block SS/L from transactions that would have substantially endangered Alcatel's future orbital incentive payments on the Intelsat IX and VII programmes. ■

starting to see important new orders. The proceeds from this deal will help fuel our growth going forward.

"We expect to continue to work together with Storm on strategic opportunities, such as the Canadian Broadband Initiative, building on the excellent working relationship that we have developed over the past few years." ■

Orbital delivers BSAT-2c

Japan/US

Orbital Sciences Corporation (OSC) has made the final in-orbit delivery of the BSAT-2c satellite to its customer, Broadcasting Satellite System Corporation (B-SAT) of Japan.

Based on the company's STAR platform, BSAT-2c is the third in a series of three geostationary communications satellites that Orbital built for B-SAT since 1999. The BSAT-2c

satellite was launched into orbit aboard an Ariane 5 rocket on 11 June 2003. Following the launch, a team of Orbital engineers conducted a thorough evaluation of the satellite's operating systems and its onboard communications payload and determined that it is functioning as expected. Operational control of the satellite system was transferred to B-SAT on 15 July.

The BSAT-2c satellite will operate in Ku band frequencies from its orbital location at 110 degrees East of longitude. The spacecraft is optimised for a ten-year design life and will provide additional capacity for B-SAT's satellite broadcasting service throughout Japan. BSAT-2c is the third OSC-built GEO communications satellite to be put in service by customers in the past 12 months. ■

International Datacasting to sell Storm Internet subsidiary

Canada

International Datacasting has announced today that it has entered into an agreement to sell its wholly-owned Internet Service Provider (ISP) subsidiary Storm Internet Services to 4177347 Canada Incorporated.

The value to IDC in cash and other considerations is between US\$3.2 and \$3.7 million, depending on the amount of post-closing cash royalty obligations payable to IDC. This transaction covers Storm Internet and its wholly-owned subsidiary CDS Prometheus. The remainder of

IDC's service business (a satellite teleport which services among others the Canadian Forces Radio and Television network) is not affected by the sale.

IDC acquired Storm, a regional ISP, and CDS, a wireless systems integrator, in 1999. Since then the business has expanded and grown today Storm has one of the largest broadband wireless networks in North America. IDC President and Chief Executive Officer (CEO) Ron Clifton said: "This is a win-win deal for everyone. We originally acquired Storm

to add to our product and service portfolio and we are pleased with what we have been able to accomplish with them in the last few years. This deal will allow Storm to focus on their core ISP business and will free them up to grow in that market space. At the same time this will free up working capital for IDC so that we can focus on the core broadband satellite network business. We are at a crossroads with the new products we have launched in the past year. They have generated a lot of excitement and we are

Sydney Gold Coast Yacht Race tracked by satellite

Australia

Global satellite-based telematics operator Satamatics, in partnership with its service provider SecTrack, has supplied location tracking technology and services to the 68 yachts taking part in the Eighteenth annual Sydney Gold Coast Yacht Race, which started on Saturday, 26 July 2003.

Conducted by the Cruising Yacht Club of Australia (CYCA), with the co-operation of Southport Yacht Club, the race runs for 384 nautical miles along the eastern seaboard of Australia - from Sydney Harbour to Southport. SecTrack and Satamatics' technology enabled regularly-updated yacht positions to be displayed on the CYCA's web site to maximise visitor attraction and involvement in the race, for the benefit of the club, participants and sponsors. This project built on the success of the CYCA's 2002 Sydney Hobart Yacht Race, for which SecTrack also supplied the same technology and services.

During the run-up to the Sydney Gold Coast Yacht Race, SecTrack worked with Sydney-based satellite communications specialist TC Communications, to

ensure that the participating yachts were equipped with the Satamatics miniature satellite terminals. Operating via SecTrack, and utilising Satamatics' global network, the terminals were configured to transmit reports initially at synchronised 15-minute intervals, with the report rate being re-configured remotely to suit the race circumstances. For example, the reporting frequency was increased for yachts racing in close proximity to each other, especially for the leading yachts, and reduced for the yachts that had reached Southport.

Luc Martens, CEO of Belgium-based SecTrack, commented: "Our company works in close partnership with Satamatics to provide airtime and D+ modems to a variety of companies supplying fleet management, asset tracking and remote monitoring solutions. We won this project for our overall expertise in this area, for our 24/7 service and competitive pricing, and due to the proven success of the working relationships we have established during previous yacht races. The Satamatics on-board terminals

are eminently suitable for this type of event, with their installation simplicity, low power consumption and remote programmability. These attributes combine with the seamless global coverage that Satamatics offers via its satellite gateways and SecTrack's message handling systems to make this the ideal solution. The data we receive from Satamatics is processed and delivered to the Cruising Yacht Club of Australia, and is combined with their charting and weather information for display by the highly professional boat tracking facility on the club's website. The advantages of this facility are wide-ranging - the club and race sponsors benefit from the increased visibility of the website, the public can enjoy substantially enhanced involvement with the race's progress, while the sailing industry as a whole derives greater exposure. We see these developments becoming more and more a standard component of competitive yachting."

The position reports were transmitted from the race yachts via Satamatics' global-coverage

network of satellite gateways, and SecTrack's message handling systems and data processing centres, to provide an information-feed for the race. Satamatics' satellite gateways are installed at Land Earth Stations around world, including New Zealand, to manage communications with the geostationary Inmarsat satellites, with this race utilising the Asia-Pacific region satellite.

Although not part of the participating yachts' required safety equipment, the Satamatics terminals represented a useful safety back-up, as the regularly updated position reports could prove invaluable in a rescue situation if a yacht's other communications equipment had been rendered inoperable or a yacht had moved beyond range. The Satamatics terminals are designed to meet the forthcoming SOLAS X1-2 specification for a Ship Security Alert System - activated by a panic button, this triggers the transmission of an automatic alert message to a competent authority, if a vessel is under threat from circumstances such as crew illness or accident, untenable weather or piracy. ■

SS/L earns quality management certification and is awarded contract for the ISS

US

Space Systems/Loral (SS/L) has received the International Organization for Standardization's (ISO) 9001:2000 certification, a standard requiring rigorous, internationally accepted quality management practices.

"We are pleased to have been certified to the rigorous 2000 standard, reflecting SS/L's continuing commitment to quality in all our operations," stated Pat DeWitt, SS/L's President. "The ISO certification, received six months ahead of our plan, reassures our customers that SS/L satellites are

manufactured to meet the highest standards of reliability."

The 2000 standard is different from the existing (1994) standard, in that it focuses on the practices in every company function, from marketing to on-orbit operations. Increased emphasis is given to customer satisfaction, management by objectives, process improvement, and adherence to own policies, practices and procedures. ISO will conduct sampling audits of SS/L every six months to ensure that the high standards are maintained.

In separate news, SS/L has

announced that it has won a contract from Boeing NASA Systems, Houston, Texas, to build 40 replacement batteries for the US photo voltaic, or power-producing, module of the International Space Station (ISS).

These replacement units will be used as spares or to replace older ISS batteries currently on orbit.

"SS/L has been a key contractor to Boeing for a variety of ISS related projects over the past two decades, and we are very pleased to be continuing that work at this critical time in the development of the International

Space Station," said DeWitt.

The seven-year contract with Boeing NASA Systems calls for the delivery of 40 battery Orbital Replacement Units (ORUs), in addition to the 21 ISS battery ORUs that SS/L is currently on contract to deliver to Boeing over the next two years.

SS/L's advanced nickel-hydrogen batteries are used to store electrical energy for use during the 16 solar eclipse periods that the ISS encounters during its daily orbits around the earth.

Since 1994, SS/L has manufactured more than 50 batteries for the final on-orbit configuration of the Space Station. SS/L's first batteries were carried to the Space Station on 30 November 2000, aboard the Space Shuttle Endeavor. ■

EADS half-year results in line with 2003 targets

UK

EADS, Europe's largest aerospace and defence company, achieved half-year results fully in line with its expectations and confirmed its 2003 targets. Earnings Before Interest and Taxes (EBIT, pre-goodwill and exceptionals) reached Euro 592 million (first half 2002: EUR 775 million).

"The EADS half-year results confirm our outlook for the full year," Philippe Camus and Rainer Hertrich, EADS Chief Executive Officers (CEO), said in a statement. "And so, in spite of recent world events, we continue to deliver what we have promised, knowing that genuine business risks still characterise aerospace markets in the short term. We remain vigilant. Our continued focus on profitability and containing costs across our businesses as well as limiting financial exposure is the foundation for our confidence."

"Based on our strong order intake and our recent market successes, we should be well positioned once our markets pick up again to deliver strong growth in cash and overall financial performance," the CEOs continued. "This relates not only to the civil aviation business, where we see very early signs of a recovery on the horizon, but also to the excellent growth prospects of our reorganised Defence and Security Systems division. At Space, we are on track to achieve a turnaround in 2004. The new organisation and the restructuring of Space, along with our prime contractorship for the Ariane system and new large-scale programmes such as Galileo, have been major breakthroughs helping to secure the long-term profitability of our Space activities."

EADS expects the full-year 2003 EBIT to remain in the same range as 2002, based on 300 aircraft deliveries by Airbus. Dur-

ing the first six months, Airbus has already delivered 149 aircraft in a very difficult market environment.

The Space division's EBIT of EUR -131 million (first half of 2002: EUR -85 million), however, continued to be impacted by the weak markets. EBIT reflected mostly a restructuring charge of EUR 88 million as part of the restructuring announced in March 2003. Order intake reached EUR 779 million in the first half year.

Revenues of EUR 1,008 million (first six months 2002: EUR 882 million) include, like all Space division figures, for the first time in 2003 the 100 per cent consolidation of Astrium.

Some of the highlights of the first half of the year for EADS' Space Division include:

- The agreement of the ESA countries on a financing plan for the European satellite

navigation system Galileo on 26 May 2003. ESA also agreed the plan to ensure an independent European launcher business and to finance the work required to get the Ariane 5 ten-tonne version launcher back on track. Finally, EADS was designated as prime contractor for the procurement and manufacturing of Ariane.

- Arianespace committed at the Paris Air Show to order 30 Ariane launchers worth EUR 3 billion from EADS as prime contractor.
- The new structure of EADS Space became effective on 17 June 2003. Three main business units were created: EADS Astrium (satellites), EADS Space Transportation (launch vehicles and orbital infrastructure) and EADS Space Services (satellite services). ■

Intelsat move towards stabilisation

Global

Intelsat reported revenue of US\$244.5 million and net income of \$42.6 million for the quarter ended 30 June 2003. The satellite giant also reported Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA), of \$179 million for the period. For the first half of 2003, Intelsat reported revenue of \$483.4 million and net income of \$106.7 million, while EBITDA was \$356.2 million.

Telecommunications revenue decreased \$21.8 million, or four per cent, to \$483.4 million from \$505.2 million for the same period in 2002. According to a statement by Intelsat, the drop was primarily attributable to a decline in the level of services provided to a key customer that sought bankruptcy protection. Lease service revenue de-

creased by \$20.3 million due to the expiration of agreements that were not renewed. Also contributing to the overall decline was a decrease in revenue from channel and carrier services of \$3.4 million. However, the company also saw an increase in revenue from GlobalConnexSM Solutions services of \$11.2 million, and from Galaxy Satellite Broadcasting Limited of \$2.7 million.

Net income decreased by \$53.6 million, or 33 per cent, to \$106.7 million from \$160.3 million for the six months ended 30 June 2002. The decrease was due principally to lower revenue and higher total operating expenses, and higher interest expense of \$25.7 million, which were partially offset by an increase in other income of \$7.7 million.

Conny Kullman, Chief Executive Officer (CEO) of Intelsat, said: "Second quarter revenue was up 2.3 per cent over the first quarter in what has been a challenging market environment, and we view this increase as a positive indicator that our core business is stabilising and is poised for recovery. We are continuing to implement the key components of our strategy, most recently through our agreement to acquire Loral Space & Communications' North American satellite assets. During the second quarter, we saw strong renewal activity from our government customers and healthy free cash flow from operations. Entering the second half of 2003, we are confident that our business will be well positioned when the overall economy begins its recovery." ■

Loss for EMS Technologies

US

EMS Technologies, Inc. has reported a consolidated net loss of US\$14.1 million for the second quarter of 2003 and \$14 million for the first six months of 2003. The company recently announced plans to sell its Montreal commercial space division. The 2003 results for the Space & Technology/Montreal commercial space division reflected the effects of slow market conditions and a \$14 million charge in the second quarter due to key-supplier delays and related technical problems on a large satellite program. EMS has also previously announced that the company will record a charge to discontinued operations in the third quarter equal to the anticipated loss upon divestiture of Space & Technology/Montreal. ■