Intelsat Offering Hosted Payloads to Gov't Market

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Intelsat General Corp., trying to capture what it believes is unmet U.S. military demand for satellite telecommunications outside the conventional procurement framework, is offering to place military and other government payloads on a half-dozen satellites that Intelsat will be ordering for its own use in the coming years and has already agreed to gamble on government business for a satellite now being built.

Washington-based Intelsat General, the subsidiary of satellite-fleet operator Intelsat that is dedicated to government markets, thinks its current and proposed "hosted payloads" offer could unlock government business that up to now has been out of its reach.

When Intelsat refers to hosted payloads, it means inviting the U.S. government to place its own specially designed transponders or other electronics on a commercial telecommunications satellite that Intelsat is building in any event.

The company's Galaxy 15, launched in 2005, is an example. Galaxy 15, like Telesat Canada's Anik F1R commercial spacecraft, carries an L-band payload for the U.S. Federal Aviation Administration's program to improve the performance of the U.S. GPS constellation of timing and positioning satellites.

Intelsat General Vice President Don Brown said six other satellites in various stages of planning at Intelsat — the 704R, 707R, IS-9R, IS-14, IS-7R and IS 802R — have space available for government payloads as well. These satellites will provide coverage in the Indian Ocean, Atlantic Ocean, Africa, the Middle East and South America.

"There are opportunities around the globe," Brown said here in presentations Feb. 20 and Feb. 21 at the Satellite 2007 conference organized by Access Intelligence. "We offer the government customer lower costs because we provide the [satellite] bus, the launch, operations and support services. The hosted-payload option also permits a shorter planning cycle."

The U.S. Defense Department's contract-procurement regulations remain a possible roadblock to future hosted payloads insofar as Intelsat would need a long-term commitment from the government before agreeing to clear aside usable space on its satellites for third-party users, Brown said.

Brown said Intelsat is not about to build satellites on the assumption that government customers will arrive late in the design stage with a payload idea, nor will the company build speculative payloads hoping that, once the satellite is in orbit, military or other government users will be found.

Like other satellite-fleet operators, Intelsat has closely followed the difficulties of Xtar LLC of Rockville, Md., a joint venture between Loral of New York and a Spanish consortium. Xtar built and launched two X-band telecommunications satellites with the Spanish Defense Ministry as the only committed customer, thinking it had the promise of future U.S. Defense Department and other U.S. government agencies' support. That support has been nowhere near what Xtar had expected.

But Intelsat is already designing at least one satellite — the Horizons-2 it jointly owns with JSAT Corp. of Japan — on the assumption that U.S. government agencies will use it.

Horizons-2, to be launched in 2008 to a geostationary orbit covering North America, will have one fixed beam that provides coverage of an area from the East Coast of the United States to some 500 kilometers offshore. That beam will permit unmanned aerial vehicles from the U.S. Defense Department to transmit and receive data, and could also be useful to the U.S. Coast Guard.

"We are doing this without a contract," Brown said. "We're told that UAV operators and the Coast Guard would like that coverage area. The risk, we think, is reasonable in part because Horizons-2 is already well-committed for its commercial owners. But a risk remains. We have no guarantees from government users, and if they don't come there's not much use for this beam but to communicate with dolphins."

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