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March 20, 2002

**ORIGINAL**

William F. Caton  
Acting Secretary  
Federal Communications Commission  
The Portals  
445 Twelfth Street, S.W.  
Washington, DC 20554

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MAR 20 2002

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: *Ex Parte Presentation:*

CC 92-297;  
DA 01-1693;  
CC Docket 98-172, RM-9005, RM-9118;  
ET Docket No. 01-278, RM-9375, RM-10051;  
File Nos. 187-SAT-P/LA-97(96), SAT-LOA-19970926-00147, SAT-AMD-20001103-00156;  
File Nos. 179-SAT-P/LA-97(16), 90-SAT-AMEND-98(20), SAT-LOA-19970926-00149, SAT-AMD-19980318-00021, SAT-AMD-20001103-00159;  
File Nos. SAT-MOD-20011221-00135 & 00136;  
File Nos. 95-99-SAT-P/LA-98, SAT-LOA-19980403-00025-29;  
File Nos. 3/4 DSS-P/LA-94, IBFS No. SAT-LOA-19931203-00040/41, File No. 174 through 179-SAT-P/LA-95, IBFS No. SAT-LOA-19950929-00125 through 00129, 00137;  
File Nos. 45-48-SAT-P/LA-98, IBFS Nos. SAT-LOA-19971222-00201-00207.

No. of Copies rec'd 0719  
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Dear Mr. Caton:

On March 19, 2002, Joslyn Read, Chris Hofer, and Jack Wengryniuk of Hughes Network Systems, Inc. (HNS), and the undersigned, on behalf of HNS, Hughes Electronics Corporation, Hughes Communications Galaxy, Inc., and Hughes Communications, Inc. (collectively, the "Hughes Participants") met with the following members of the International Bureau: Tom Tycz, Jennifer Gilson, Selina Khan, Kal Krautkramer, JoAnn Lucanik, John Martin and Alyssa Roberts.

The Hughes Participants briefly explained the Hughes positions of record in these proceedings and urged the Commission, consistent with those positions:

With respect to the First Round Ka band GSO FSS SPACEWAY system license, promptly resolve the outstanding petitions for reconsideration of Pegasus and Hughes, and the milestone compliance determination, regarding File Nos. 3/4 DSS-P/LA-94,

March 20, 2002

Page 2

IBFS No. SAT-LOA-19931203-00040/41, File No. 174 through 179-SAT-P/LA-95, IBFS No. SAT-LOA-19950929-00125 through 00129, 00137; and promptly grant the modification application relating to File Nos. 3/4 DSS-P/LA-94, IBFS No. SAT-LOA-19931203-00040/41 in File Nos. SAT-MOD-20011221-00135 & 00136;

With respect to the Second Round Ka band GSO FSS SPACEWAY system license, promptly resolve the outstanding Hughes petition for reconsideration regarding File Nos. 45-48-SAT-P/LA-98, IBFS Nos. SAT-LOA-19971222-00201-00207, and the Hughes orbital reassignment request in DA 01-1693;

With respect to 18.3-18.58 GHz and 29.25-29.5 GHz bands, preserve those bands for use by ubiquitous GSO FSS earth terminals by (A) granting the Hughes Petitions for Reconsideration in the following proceedings (i) Iridium's 2 GHz MSS system feeder link authorization, File Nos. 187-SAT-P/LA-97(96), SAT-LOA-19970926-00147, SAT-AMD-20001103-00156, (ii) Boeing's 2 GHz MSS system feeder link authorization, File Nos. 179-SAT-P/LA-97(16), 90-SAT-AMEND-98(20), SAT-LOA-19970926-00149, SAT-AMD-19980318-00021, SAT-AMD-20001103-00159, and (iii) the 18 GHz Proceeding, CC Docket 98-172, RM-9005, RM-9118, and (B) adopting the May 4, 2000 Hughes *ex parte* streamlined earth station licensing proposal in the 18 GHz Proceeding, CC Docket 98-172, RM-9005, RM-9118;

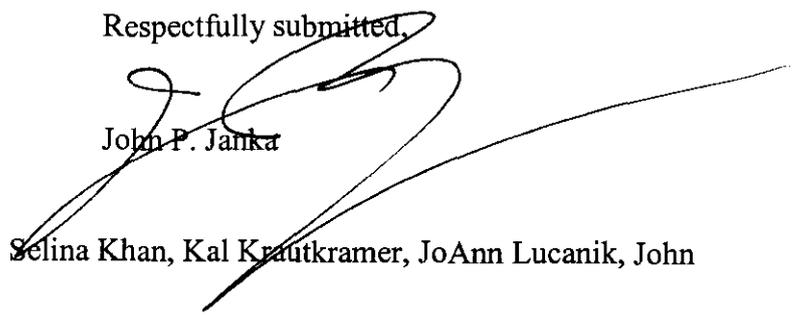
With respect to the terms and conditions for international operations of Ka band spacecraft, grant the outstanding Hughes Petition for Reconsideration in CC Docket No. 92-297;

With respect to VSATs in the Ku band, protect Ku band GSO FSS terminals from interference from radar detectors by regulating the emissions from and the manufacture of those devices in ET Docket No. 01-278, RM-9375, RM-10051.

The Hughes Participants also informed the Commission that, with respect to File Nos. 95-99-SAT-P/LA-98, SAT-LOA-19980403-00025-29, Pegasus Development Corporation has filed the enclosed application with Industry Canada, which is still pending.

An original and nineteen copies of this submission are enclosed.

Respectfully submitted,

  
John P. Janka

cc: Tom Tycz, Jennifer Gilsenan, Selina Khan, Kal Krautkramer, JoAnn Lucanik, John Martin, Alyssa Roberts



**PEGASUS**  
COMMUNICATIONS

November 6, 2001

Ms. Chantal Beaumier  
Director  
Space and International Regulatory Activities  
Radiocommunications and  
Broadcasting Regulatory Branch  
Industry Canada  
Room 1564C – Jean Edmond Tower North  
300 Slater Street  
Ottawa, Ontario  
K1A 0C8

Dear Ms. Beaumier:

**Re: Call For Proposals to License Expeditiously a Ka Band  
Space Station at the 107.3 West Longitude Orbital Position**

This letter is submitted to Industry Canada by Pegasus Development Corporation (“Pegasus”), a wholly owned subsidiary of Pegasus Communications Corporation (“Pegasus Communications”) in response to the above-referenced call for proposals (the “Call for Proposals”) to License a Ka band space station at the 107.3 West Longitude orbital position.

Through its wholly owned subsidiaries, Pegasus Communications is a leading provider of direct-to-home (“DTH”) and other digital telecommunications services in the United States with a principal focus on rural, remote and under-served markets. Pegasus Communications is the largest independent provider of DIRECTV® service in the United States, with over 1.4 million subscribers. Pegasus Communications, through other wholly owned subsidiaries, is also the owner or programmer of 12 TV stations in the United States that are affiliated with Fox, Warner Brothers or UPN and it is the provider of a number of existing and planned digital broadband satellite services which offer two-way, high-speed Internet connectivity.

On August 3, 2001, Pegasus was awarded five Ka band orbital slots, including two slots capable of providing service to most of North America, by the Federal Communications Commission (“FCC”). These authorizations will allow Pegasus to introduce a full suite of advanced services. One of the orbital slot authorizations to which Pegasus received FCC approval is located at 107.0 W, which is 0.3 degrees away from the 107.3 W orbital slot that is the subject of Industry Canada’s recent Call for Proposals to license a Ka band space station at 107.3 W.

Pegasus is excited about its FCC authorizations and the market opportunities that are presented by Ka band technologies. For this reason, we are actively engaged in the development of a number of products and services that are based uniquely on the Ka frequency spectrum. Our objective is to provide residents of rural and under-served areas the with the same advanced digital services that are or will be available to customers located in urban areas, and to provide those services at competitive prices.

To this end, Pegasus is in the process of designing and procuring its first Ka band satellite, which will be launched into the 107.0 W orbital slot. Although Pegasus is keen to develop its Ka band services and intends to pursue its current launch plans, we note that there may be some attractive operational advantages that are associated with the provision of Ka band services at the 107.3 W orbital slot. For this reason, Pegasus would be interested in exploring any opportunities which may arise that would allow it to apply for or participate in the development and licensing of the 107.3 W slot. There may be an opportunity, for example, to make use of one or more of the Ka band satellites Pegasus intends to launch to deliver services from the 107.3 W slot.

We would be pleased to meet with Industry Canada's staff, or other parties to whom we might be introduced, in order to discuss mutually advantageous business opportunities to develop Ka band services at the 107.3 W orbital slot. In this regard, my colleagues at Pegasus, as well as our outside legal counsel, can make themselves available on relatively short notice for any such meetings.

Naturally, to the extent that there are any Canadian legal requirements that must be satisfied in order for Pegasus to participate in any business opportunities relating to the 107.3 W orbital slot, we would take all steps which are necessary to comply with such requirements.

In closing, I would like to express our sincere interest, once again, in Industry Canada's licensing initiative for the 107.3 W orbital slot. As indicated above, Pegasus is currently in the process of developing its own Ka band services using its existing FCC authorizations. However, if there is an opportunity for Pegasus to apply for or participate in the development of Ka band services at the 107.3 W slot, Pegasus would welcome the chance to explore these opportunities.

Should you have any questions regarding Pegasus or the contents of this letter, please do not hesitate to contact me by phone, at 610.934.7070, or by mail, at 225 City Line Avenue, Bala Cynwyd, PA 19004.

In the meantime, I would like to thank Industry Canada, on behalf of Pegasus, for the opportunity to submit this letter in response to the Department's Call for Proposals relating to the 107.3 W orbital slot.

Yours very truly,

A handwritten signature in black ink, appearing to read "Marshall W. Pagon". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Marshall W. Pagon**  
Chairman, President and CEO



**Our mission is bringing advanced digital services to rural  
and underserved communities.**



***Our mission is bringing digital home.***



### **Safe Harbor**

Certain matters contained in this document concerning the business outlook, which are not historical facts, are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995, and will be considered forward-looking statements. Such forward-looking statements may be identified with words such as “we expect”, “we predict”, “we believe”, “we project”, “we anticipate” and similar expressions. Pegasus’ actual results may differ materially from those expressed or indicated by forward-looking statements. There can be no assurance that these future events, including pending transactions, will occur as anticipated or that the Company’s results will be as estimated.

Factors which can affect the Company’s performance are described in the Company’s filings with the Securities and Exchange Commission, and include the following:

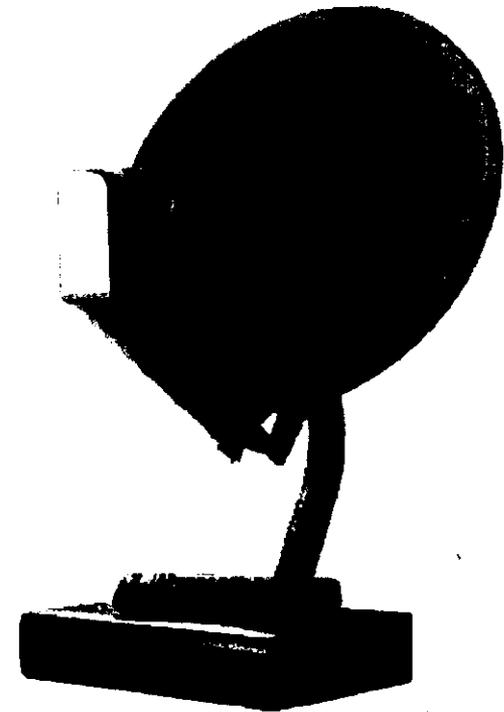
*general economic and business conditions, both nationally, internationally and in the regions in which the Company operates; relationships with and events affecting third parties like DIRECTV® and the National Rural Telecommunications Cooperative; litigation with DIRECTV; the proposed merger of EchoStar Communications Corporation into Hughes Electronics Corporation; demographic changes; catastrophic events, including acts of terrorism; existing government regulations and changes in, or the failure to comply with, government regulations; competition; the loss of any significant numbers of subscribers or viewers; changes in business strategy or development plans; the cost of pursuing new business initiatives; an expansion of land-based communications; technological developments and difficulties; an ability to obtain intellectual property licenses and to avoid committing intellectual property infringement; the ability to attract and retain qualified personnel; the Company’s significant indebtedness; and the availability and terms of capital to fund the expansion of the Company’s businesses.*

Persons are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.



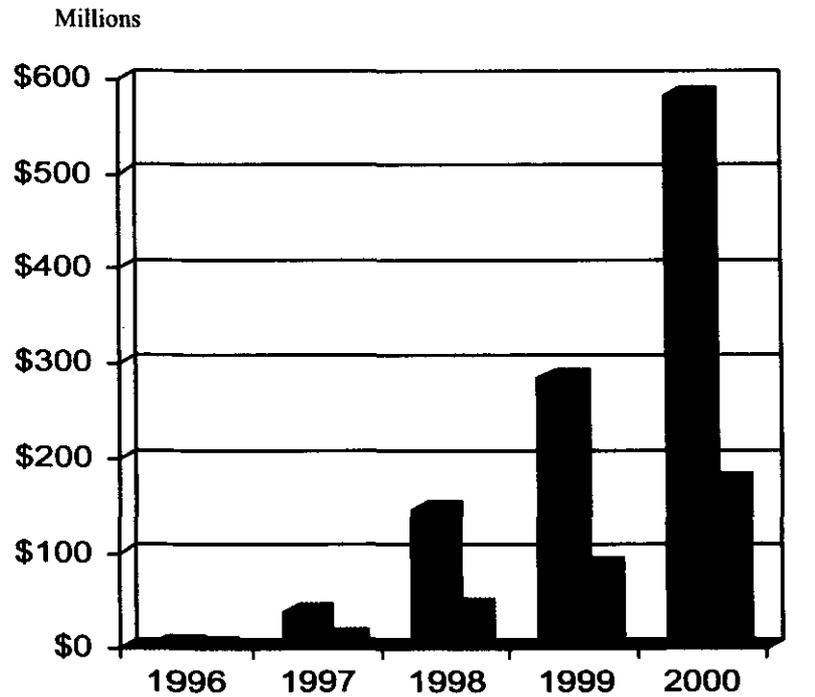
## **Pegasus Today**

- ✓ **Tenth largest multichannel provider in US & third largest DTH provider in North America; only provider focused exclusively on rural and under-served areas**
- ✓ **1.5 million satellite television subscribers**
- ✓ **Pegasus Express™ satellite broadband service launched April 2001**
- ✓ **11 broadcast television stations (owned and programmed)**
- ✓ **A sales and marketing organization including over 4,000 distribution outlets**
- ✓ **A customer care organization capable of handling 15 million calls annually**
- ✓ **A national service and installation network**
- ✓ **Five Ka orbital locations covering North America (107W and 117W), South America (43W), Europe (28 E) and Asia (107.5E)**
- ✓ **Growing intellectual property portfolio, including licenses to key interactive television patents and early development of asynchronous media delivery server and client**
- ✓ **Projected 2001 DTH revenues of US \$840M**

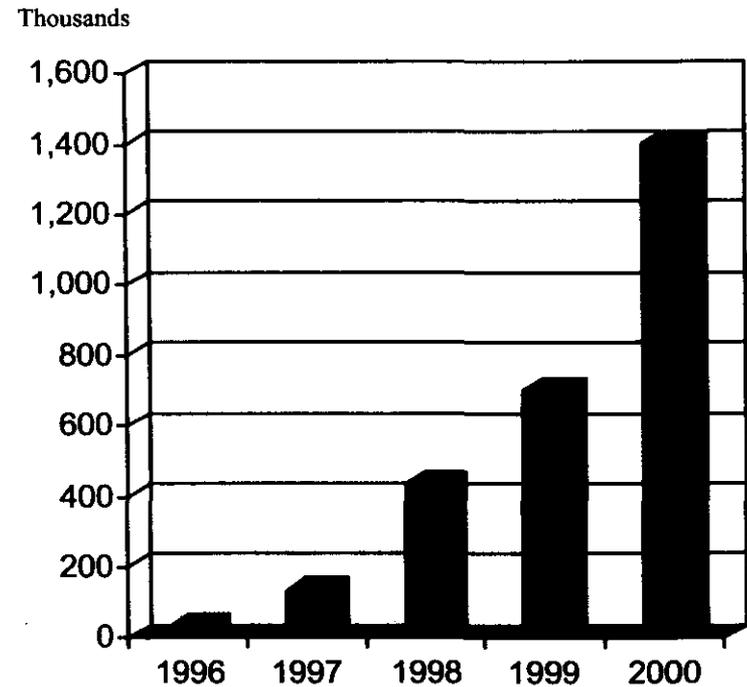




## Pegasus has a proven track record



■ Revenues ■ Pre Marketing Cash Flow



■ Subscribers

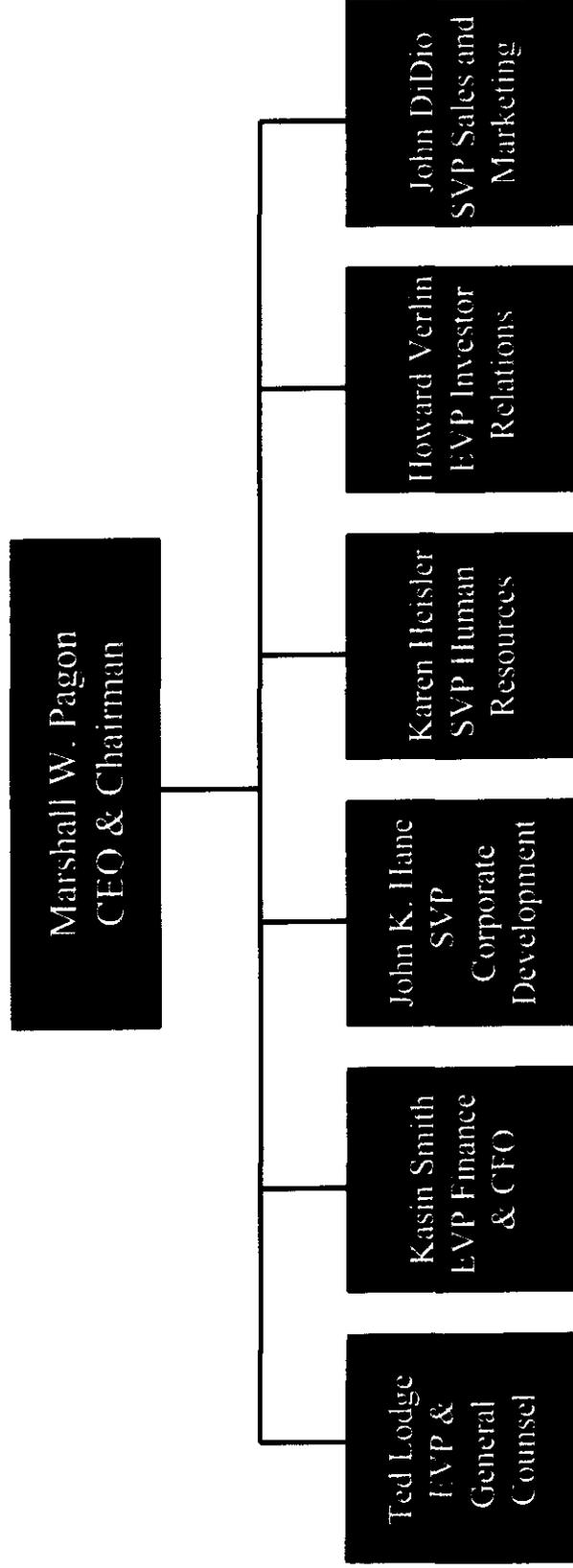


## **Pegasus Board of Directors**

- Marshall W. Pagon**, Chairman, President, CEO and founder of Pegasus.
- Ted S. Lodge**, Pegasus Executive Vice President and General Counsel.
- William P. Phoenix**, managing director of CIBC, co-head of its Credit Capital Markets Group. BA, degree from the University of Western Ontario and his MBA degree from the University of Toronto.
- James J. McEntee, III**, principal of Harron Capital. He received his BA from Boston College, J.D. from Rutgers University School of Law, and L.M. from New York University School of Law.
- Mary C. Metzger**, Chairman of Personalized Media Communications L.L.C. Ms. Metzger received her BA from Duke University and her MBA from Harvard Business School.
- Harry F. Hopper III**, Managing Director, Columbia Capital Corporation.
- Robert F. Benbow**, Managing General Partner, Alta Communications. Mr. Benbow has a degree in Finance and Economics from the University of Illinois.
- Robert N. Verdecchio**, former chief financial officer of Pegasus.



## Pegasus Executive Staff





## 2001 Developments in Ka Deployment

- ❑ January – Echostar purchases Visionstar 113° WL license, signs contract with Lockheed Martin for Ka band satellite; FCC issues 1 year milestones for 1997 Ka licensees
- ❑ May – Telesat re-structures relationship with Wildblue
- ❑ June – Shaw returns 107.3° WL license; PanAmSat terminates Ka planning
- ❑ July – Echostar assumes majority ownership and control of Starband
- ❑ August – FCC awards 5 slots, including 2 best North American slots, to Pegasus
  - FCC chooses Pegasus for best slots over opposition of 12 competing applicants including Hughes, PanAmSat, Wildblue, Lockheed Martin, TRW, Loral, and TV Guide/Gemstar backed DirectCom
- ❑ October - Hughes and Echostar announce merger
- ❑ November - Astrolink partners choose not to provide additional funds; SES/GE Americom merger closes; extended Wildblue private placement deadline passes



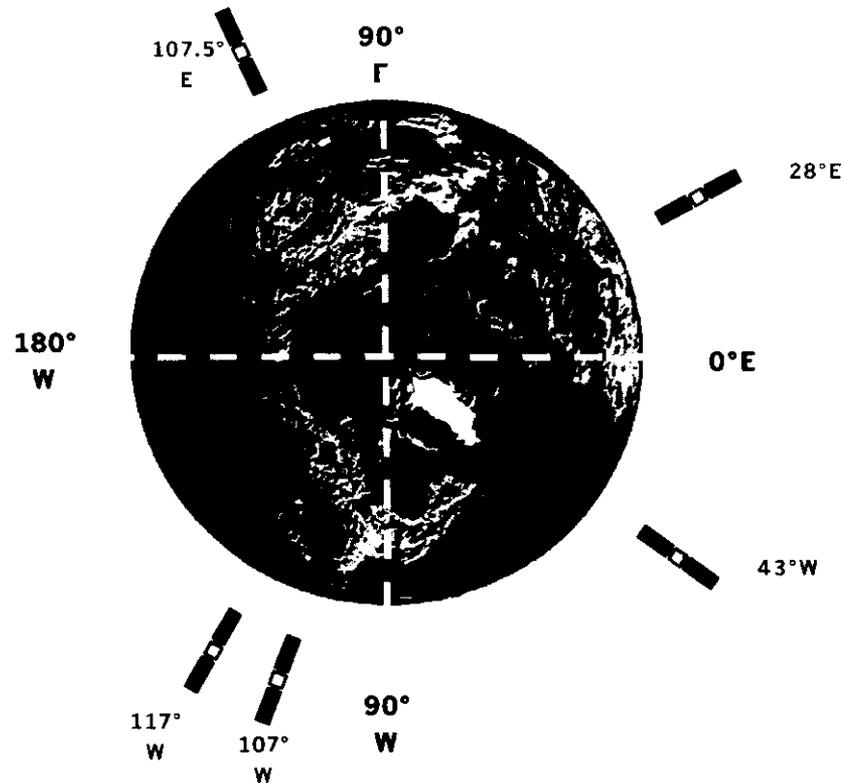
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***Project ##### Highlights***

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**Pegasus Licensed Orbital Positions**



***The FCC finalized its Ka-Band Second Processing Round in August 2001 with Pegasus receiving five orbital slots; two full North American slots at 107° and 117° W, 43° W servicing Trans-Atlantic or Latin American markets, a prime European slot at 28° E and a Middle East/South Asian slot at 107.5° E.***



## **Pegasus Ka band Executive Team**

- ❑ **Mark Pagon, CEO and Chairman**
  - Strategic direction, partner negotiations
  - Pegasus Founder; 20 years experience building cable, broadcast, and satellite television and broadband systems with exclusive focus on rural and underserved areas
- ❑ **John Hane, SVP Corporate Development**
  - System requirements, business strategy, vendor negotiations, partner negotiations
  - 26 years in broadcast and satellite industries, including NBC (media law and policy), Lockheed Martin/Astrolink (regulatory affairs)
  - Advanced satellite services patents pending
- ❑ **Macy Summers, VP Technology**
  - System design, satellite design, program management
  - 22 years in satellite, VSAT, satellite broadband, and digital set-top-box industries, including EMS Technologies and Scientific Atlanta
  - Former VP Broadband Satellite Solutions, EMS Technologies, responsible for commercialization of DVB-RCS
- ❑ **Chuck Chakravarty, VP Strategic Planning**
  - Business & financial planning, partner negotiations, service definition
  - 20 years in new business development and telecom strategic planning (including senior positions with Sprint and Unisys)



# Proposed Canadian Coverage

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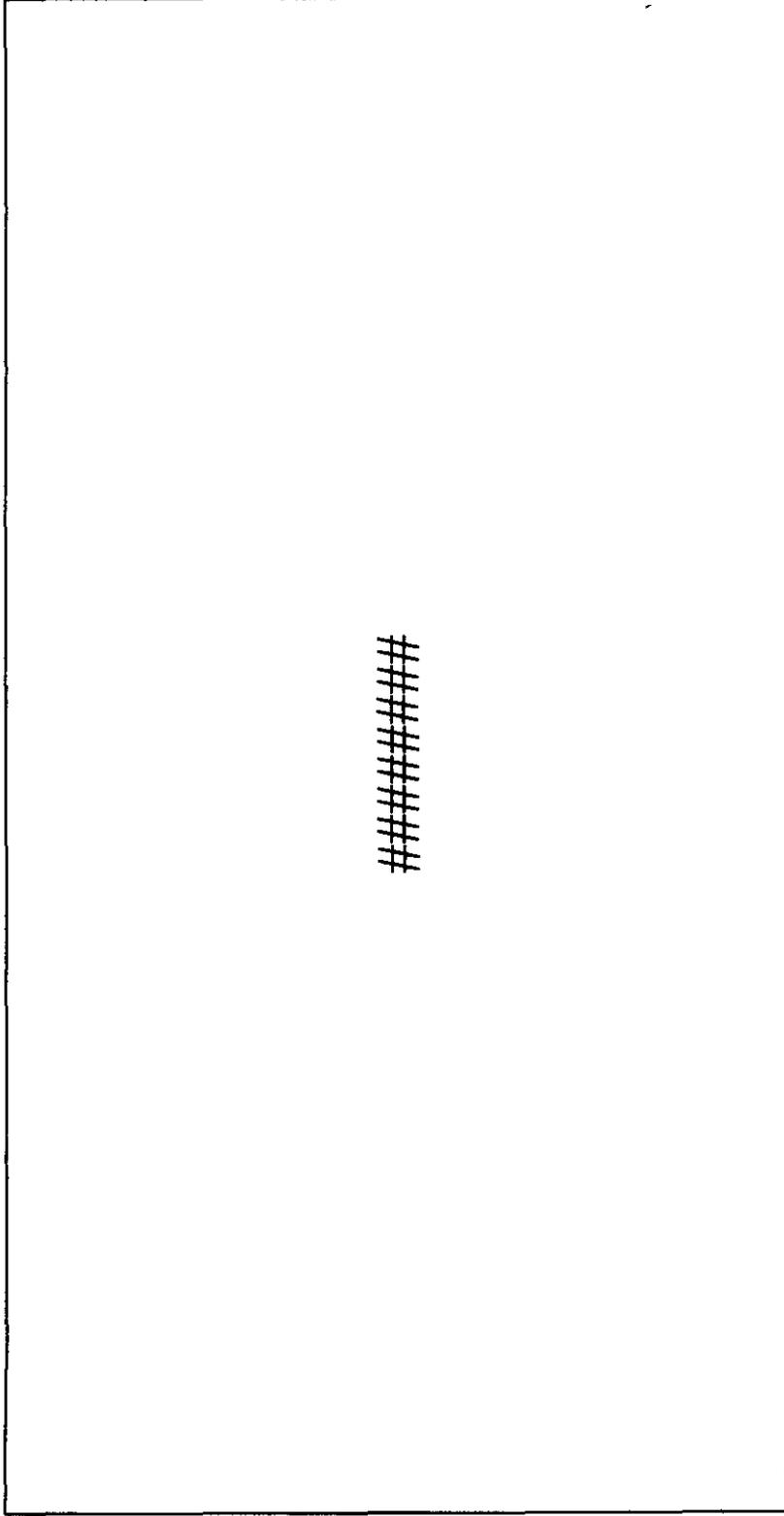
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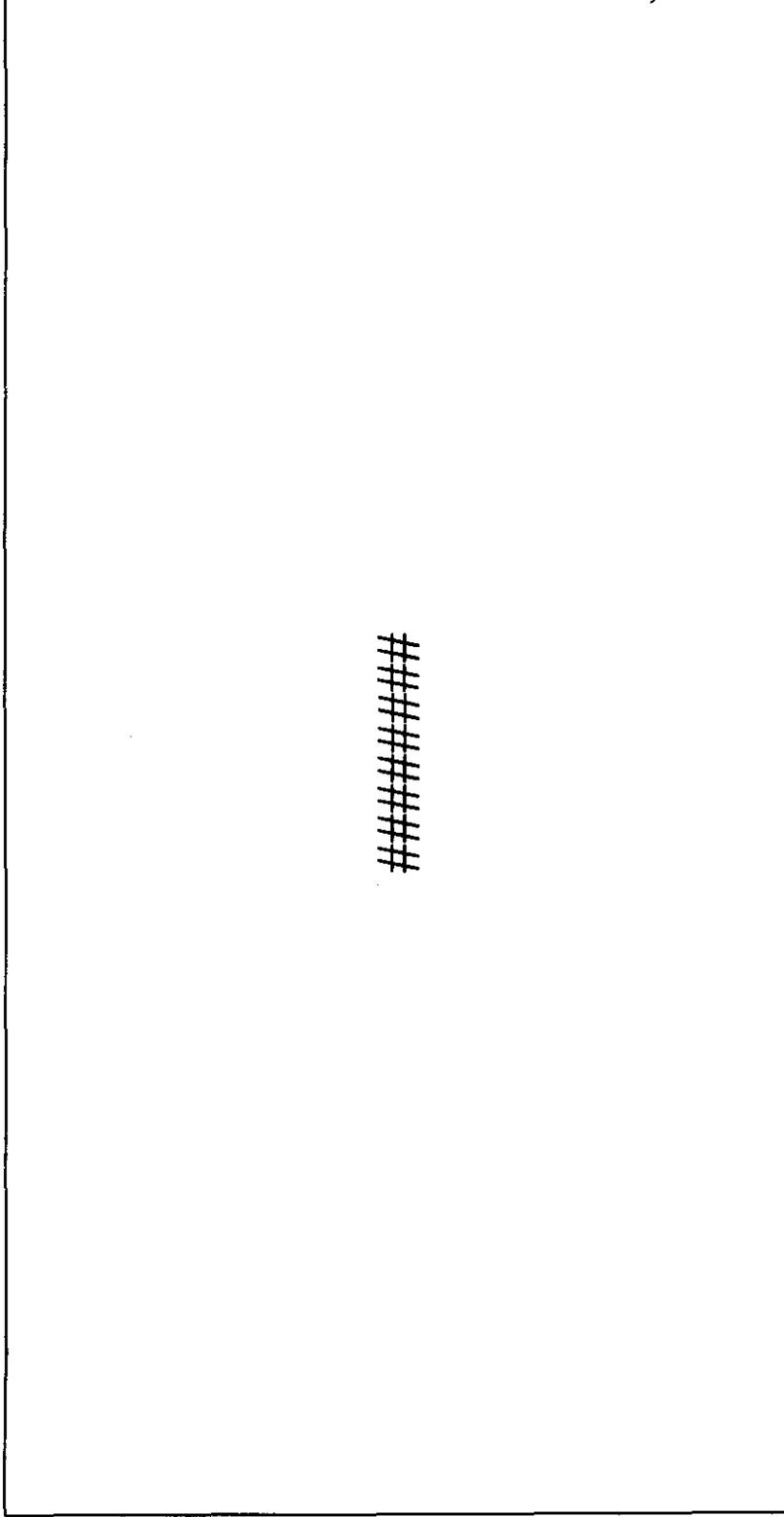
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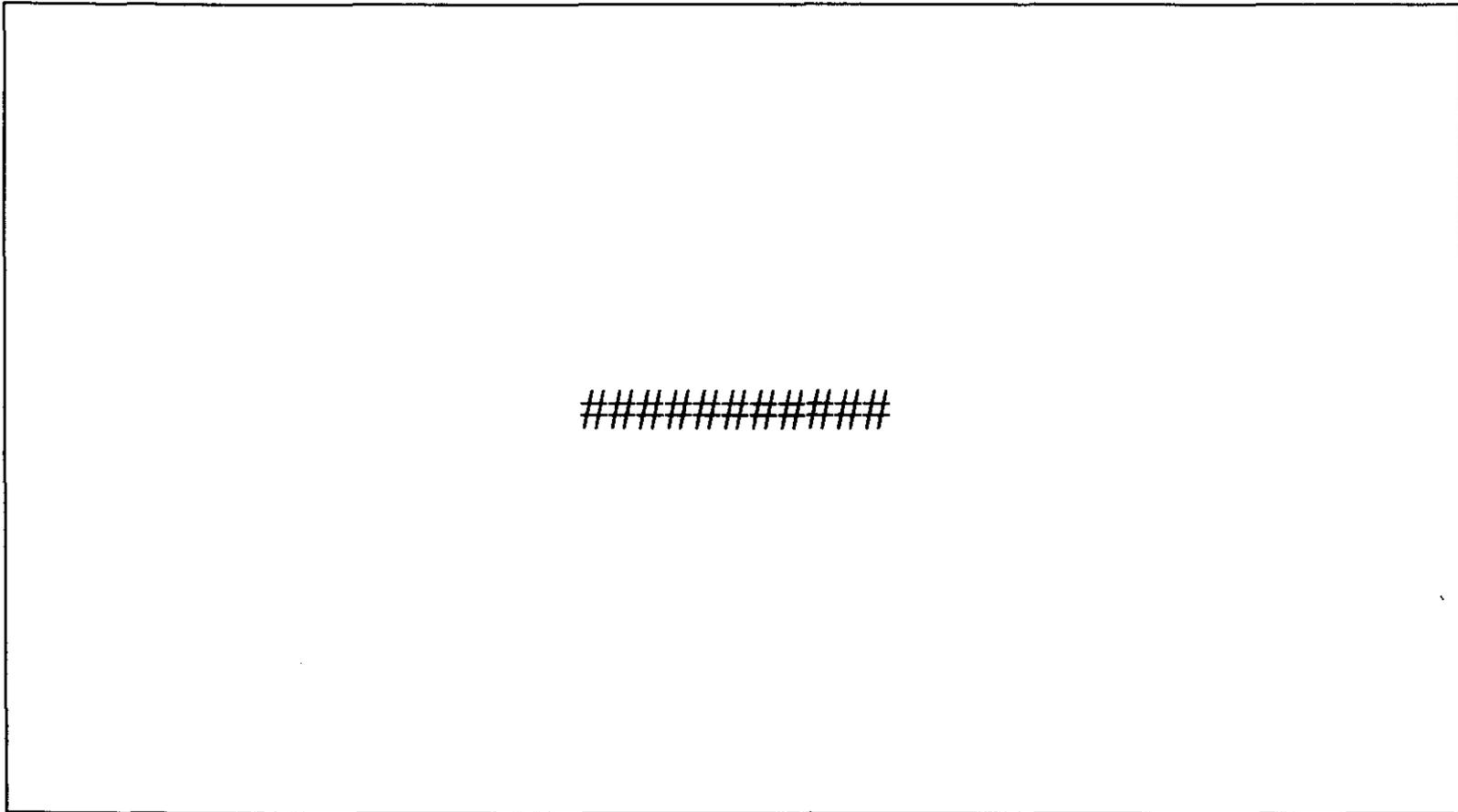


**Baseline Frequency Plan - Downlink (Carrier spacing: #####)**

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## Pegasus System Concept



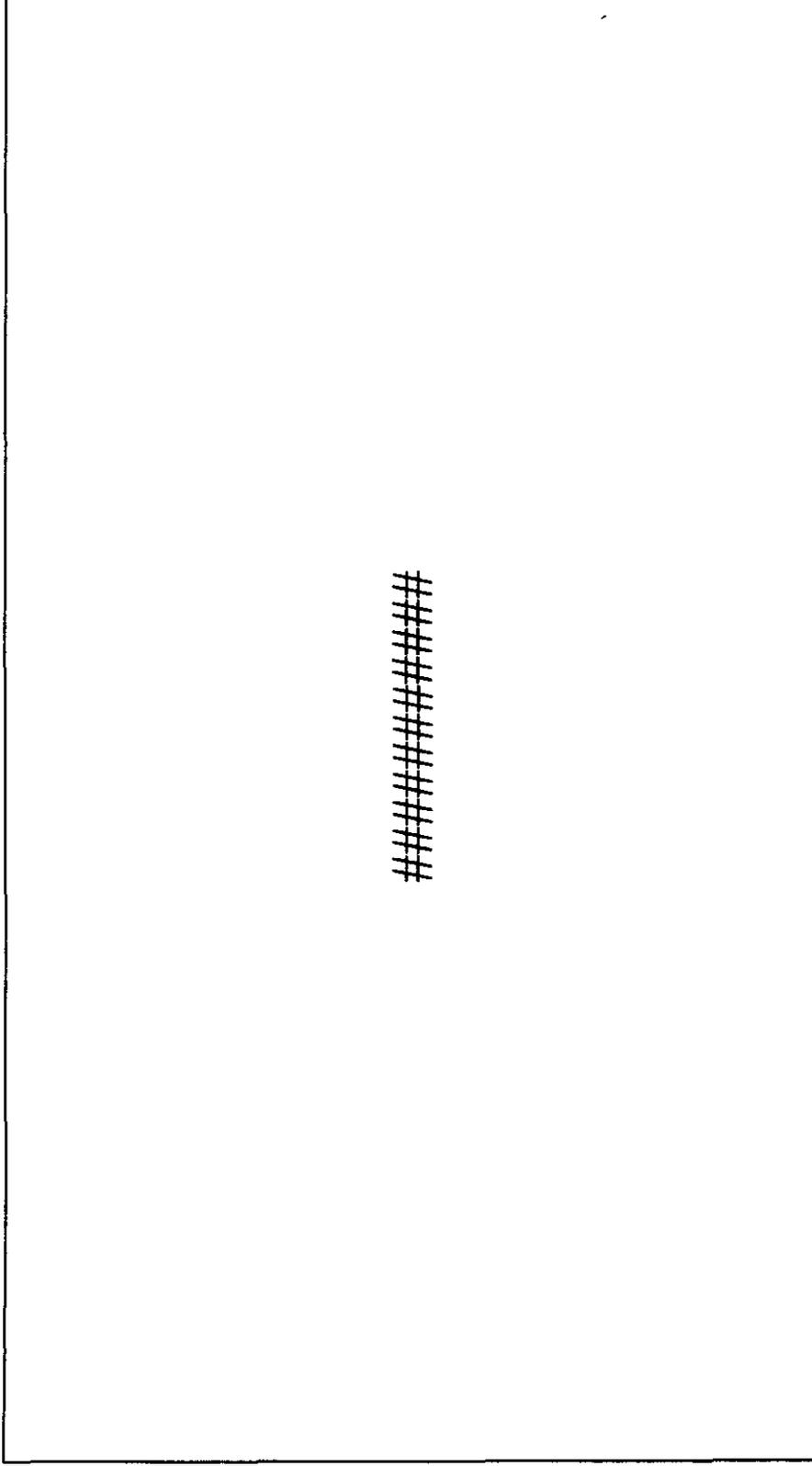
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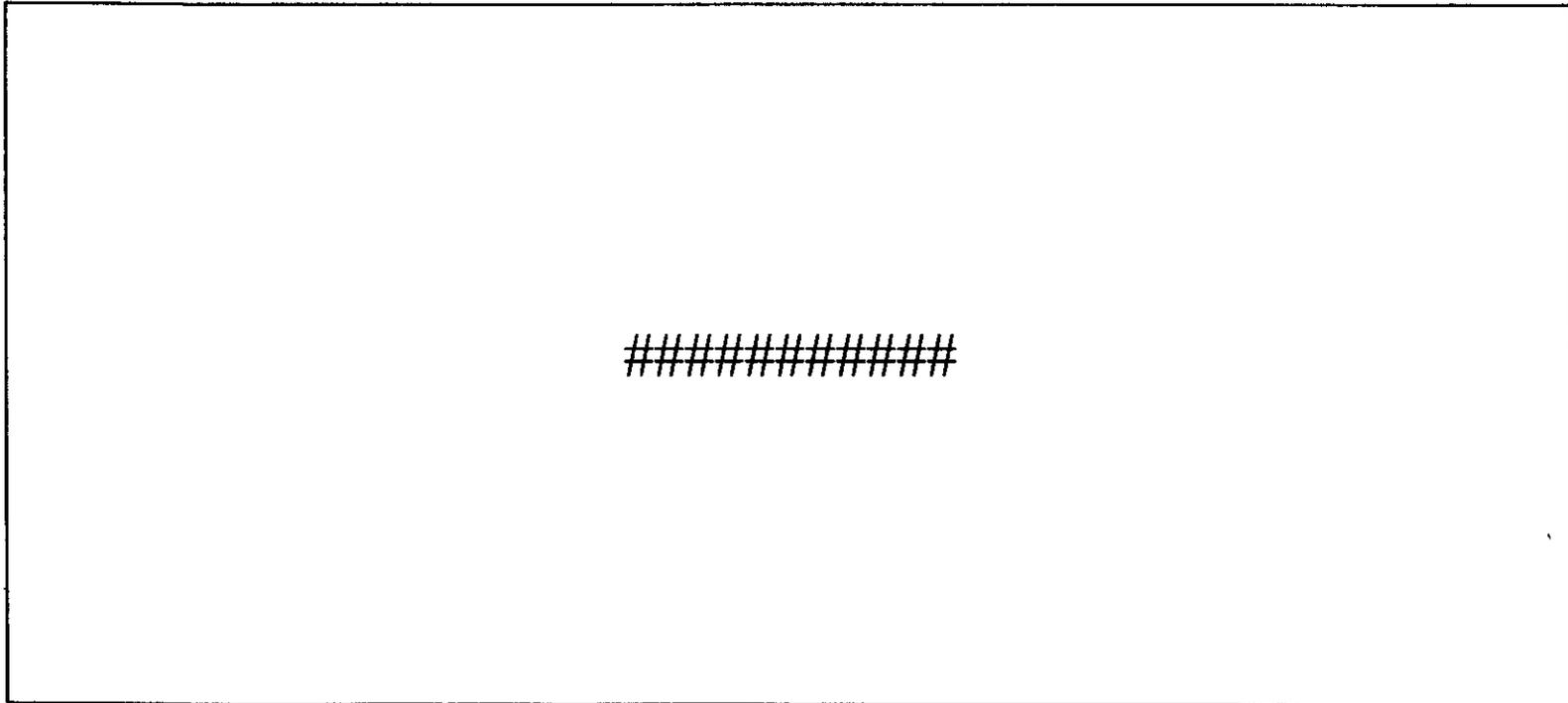
## System Architecture



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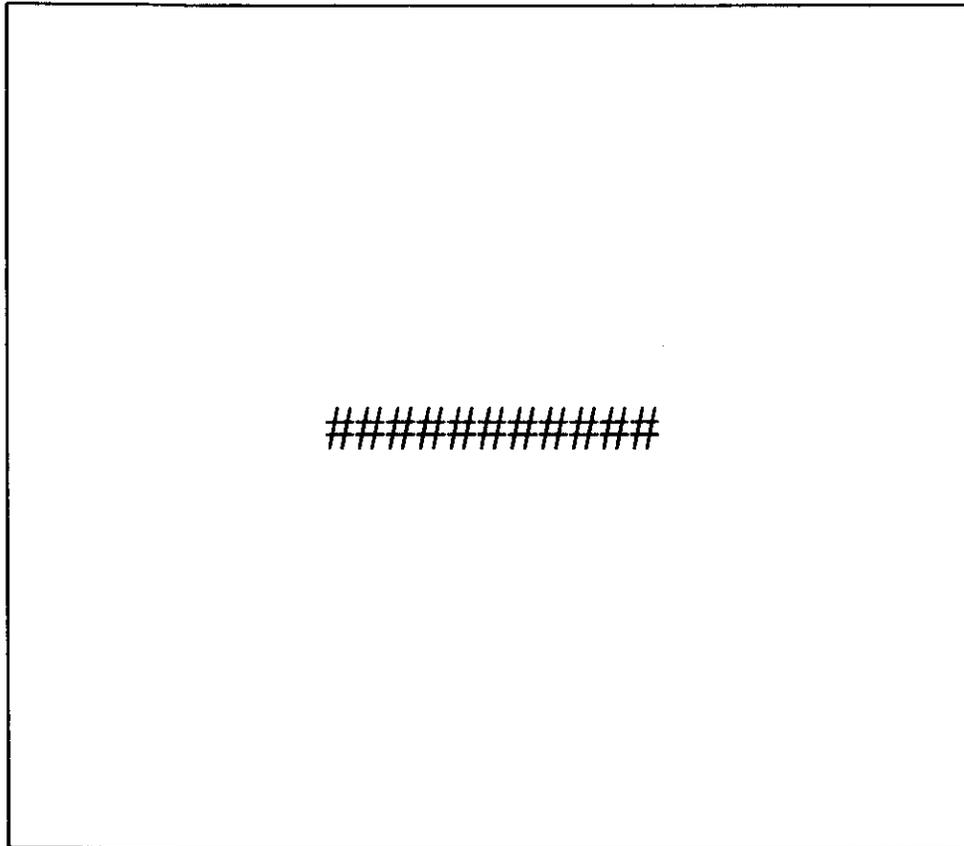
**Satellite Payload Block Diagrams**

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**Operational Concept - Consumer-side System**



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### System Advantages

Feature	Benefits
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## Deployment Strategy

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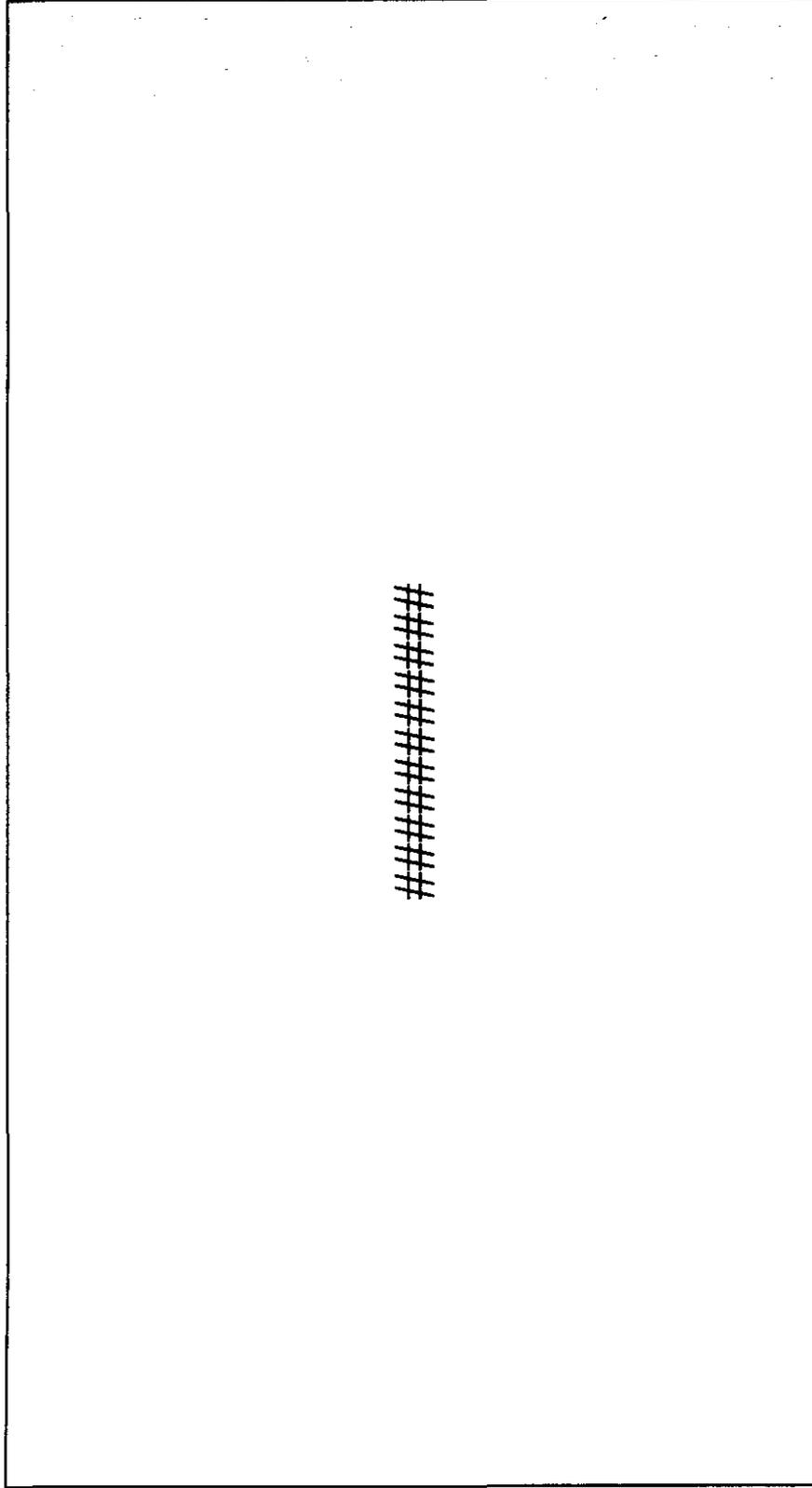




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**Major Milestones**



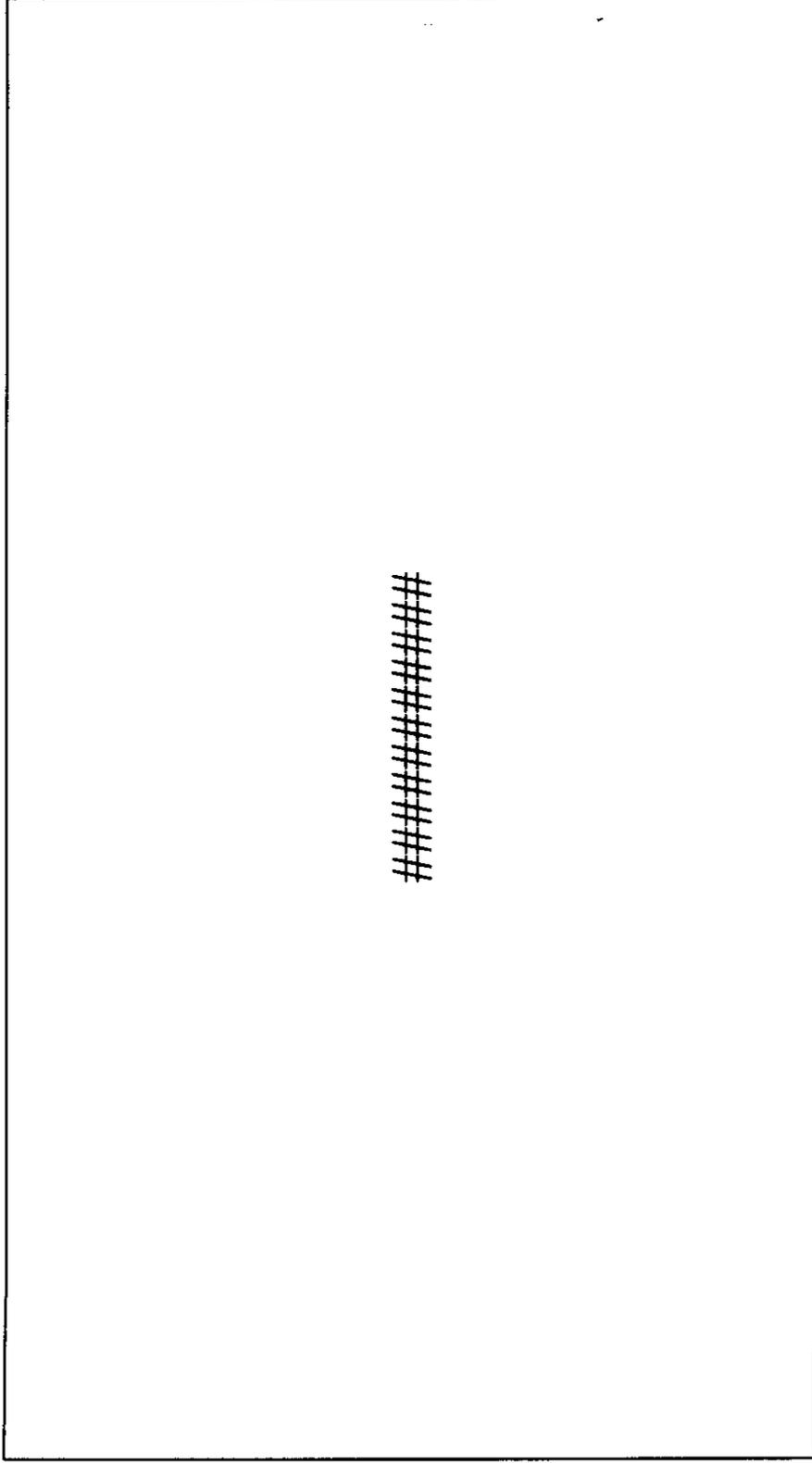
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**Proposed System Summary – Phase I**

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Pegasus Technology Partners

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COMMUNICATIONS

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