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January 14, 2004

ELECTRONICALLY FILED

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte* Presentation in IB Docket No. 02-54

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, this letter provides notice that on January 13, 2004, Scott Tollefsen of SES AMERICOM, Inc. ("SES AMERICOM") and Peter Rohrbach and Karis Hastings, counsel for SES AMERICOM, met with Barry Ohlson, Legal Advisor to Commissioner Adelstein, to discuss issues raised in and associated with the pending Notice of Proposed Rulemaking on Orbital Debris (IB Docket No. 02-54).

A summary of the points raised by SES AMERICOM in the meeting is attached. In addition, SES AMERICOM provided data regarding the impact of proposed new rules on SES AMERICOM's existing fleet. Because satellite-specific information regarding the impact of the rules is competitively-sensitive, SES AMERICOM is requesting confidential treatment of that data under separate cover. A redacted copy of the documents is attached to this letter for inclusion in the public file.

Please direct any questions regarding this submission to the undersigned.

Respectfully submitted,

Karis A. Hastings
Counsel for SES AMERICOM, Inc.

cc: Barry Ohlson

THE COMMISSION MUST GRANDFATHER EXISTING SATELLITES FROM ANY NEW REQUIREMENTS FOR DISPOSAL BEYOND 150 KILOMETERS

A. SES AMERICOM has no objection to a 150 kilometer disposal rule.

- SES AMERICOM and other satellite companies have long adopted this very conservative practice, in our own self-interest as operators.

- If there is to be a Commission rule, rather than continuing industry self-regulation, it should be limited to 150 kilometers.

B. An even more conservative rule, such as the IADC standard, would unnecessarily reduce satellite service life for no practical additional benefits.

- Satellites would forfeit approximately 1-3 months of service life, because fuel would have to be used to reach a substantially higher disposal orbit above 150 kilometers.

- The impact is millions of dollars per satellite. SES AMERICOM estimates that a rule based on the IADC standard would cost us unplanned losses of approximately $77 million in service revenues for our current fleet of 14 satellites. This does not include the large impact on all our future satellites.

- The Commission record is devoid of any evidence of a material risk of satellite collisions with today's 150 kilometer disposal practices -- let alone evidence of a need to trade off service life for even higher disposal orbits.

C. At a minimum, the Commission must grandfather existing satellites so that they are not required to be sent more than 150 kilometers from their service orbits.

There are several options, stated here in order of declining fairness, and increasing revenue burden, on the industry and its customers:

1. <u>Grandfather all satellites launched as of adoption of the new rules.</u>

- This would be an acceptable compromise that still impacts all future satellites, including pending satellites designed in recent years.

2. <u>Grandfather all satellites launched as of adoption of the NPRM (March 2002).</u>

- It would be a penalty to apply the new rules backwards to satellites launched as of nearly two years ago. However, at least that date marks the first time the Commission indicated that it would replace industry self-regulation with new rules.

3. Grandfather all satellites that completed Preliminary Design Review ("PDR") by 12/31/97.

- PDR is the point when a future satellite's fuel budget is set. The IADC deorbit formula itself was not even developed until 12/97. No satellite company should be penalized for not designing satellites to meet the IADC standard in the past, especially before the end of 1997.

  - Alternative if easier to administer: grandfather all satellites launched by 12/31/01: four years from PDR deadline.

- Note: Some argue for retroactive rules based on a non-binding 1993 ITU recommendation on satellite disposal. However, in this non-binding action the ITU expressly reserved judgment on appropriate disposal elevations. If anything, this was just the first step in a process to address the issue.

  - In any event, even if the ITU action had been binding, grandfathering would be appropriate for satellites that had completed PDR by 12/31/93, (or been constructed and launched by 12/31/97, four years post-PDR.)

- Again, full grandfathering of current spacecraft already imposes the cost of disposal above 150 kilometers on all future satellites. At the least, the Commission should not impose a more stringent standard retroactively to older satellites with fuel budgets planned under different expectations.

D. Any new rules must contemplate waivers in special circumstances, especially if deorbiting above 150 kilometers generally is required.

- For example, waivers should be available where unexpected satellite technical problems impact deorbiting, or a satellite must remain in service due to unavoidable replacement delays.

- The waiver standard can be less stringent for deorbiting at 150 kilometers or above, and more stringent for deorbiting below 150 kilometers.

Base Case			IADC RESULTS A = Avg A (NSS1740.14) Cr = 1.75		
Sat	Base Deorbit Altitude (km supersynch)	Deorbit Fuel Allowance (kg)	Calc'd Deorbit Altitude (km supersynch)	Add'l Fuel Req'd (kg)	Estimated Life Reduction (Months)
Am01	150		265 km		
Am02	150		265 km		
Am03	150		265 km		
Am04	150		261 km		
Am05	150		283 km		
Am06	150		261 km		
Am07	150		274 km		
Am08	150		274 km		
Am09	150		284 km		
C1	150		257 km		
C3	150		250 km		
C4	150		250 km		
Gs4	150		251 km		
Sn4	150		251 km		

Notes & Assumptions:

1. Normal N-S stationkeeping assumed through EOL.
2. Average reflectivity of deorbited satellite = 0.75

FINANCIAL IMPACT OF UNNECESSARY DEORBITING TO IADC STANDARD RATHER THAN CURRENT 150 KILOMETERS PRACTICE

(Impact on Current In-orbit SES AMERICOM Fleet -- Does not consider impact on SES AMERICOM satellites to be launched in the future)

Spacecraft	Life Reduction	Lost Revenue (millions)	NPV (8%)
C-3			
C-4			
AMC-1			
AMC-2			
AMC-3			
AMC-4			
AMC-5			
AMC-6			
AMC-7			
AMC-8			
AMC-9			
Total		$ 77.0 M	$ 31.5 M

Additional Burdens on Near End-of-Life Satellites (C-1, C-3, C-4, SN-4, GSTAR-4):
These spacecraft all have been scheduled for replacement, retirement and disposal based on fuel budgets allowing for a 150 kilometer disposal orbit. They are producing some current revenue, but have other more important value to SES AMERICOM, customers, and potential customers pending planned launches of new spacecraft. These spacecraft are available to meet customer needs and provide in-orbit spare protection capacity required by some customers, and would provide transitional capacity in the event of launch delays or similar issues. Any material increase in the required disposal orbits for these spacecraft would shorten their service mission life in a manner not built into current service plans.