

Before the  
FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In the Matter of

**CONSTELLATION, LLC, CARLYLE PANAMSAT I, LLC, CARLYLE  
PANAMSAT II, LLC, PEP PAS, LLC, AND PEOP PAS, LLC,  
TRANSFERORS, AND INTELSAT HOLDINGS, LTD., TRANSFEREE,  
SEEK FCC CONSENT TO TRANSFER CONTROL OF LICENSES AND  
AUTHORIZATIONS HELD BY PANAMSAT LICENSEE CORP. AND  
PANAMSAT H-2 LICENSEE CORP.**

IB 05-290

Reply Comments of Microcom to the  
Joint Response of Intelsat and PanAmSat

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The best case we can make for imposing conditions on the Intelsat PanAmSat merger is a critical analysis of the Joint Intelsat PanAmSat response. The harm that Microcom seeks to prevent is a continuation of the status quo of providing lower service levels to Alaska than is provided to the

rest of North America and the Pacific Ocean areas and the adverse impact this will have on rural consumers after the merger. That harm is evidenced by the almost complete lack of knowledge of the demographics and geography of Alaska shown in the Joint Response. Specifically,

- a. The technical, marketing, and legal staffs of the companies operate under the misconception that if a satellite can serve any portion of Alaska, it serves Alaska. Intelsat claims service to Alaska from Intelsat Americas 8, Intelsat Americas 6, Intelsat Americas 5, Intelsat Americas 13, Intelsat Americas 7, and Intelsat 701. In Anchorage, the elevation angle to Intelsat Americas 8 is 5 degrees while the elevation angle to Intelsat Americas 5 is 8 degrees. Since the part of Alaska that depends exclusively on satellite telecommunications extends a significant distance to the west and north of Anchorage, it is not reasonable to conclude that any of these satellites can be considered to provide significant service to Alaska. The same can be said for Galaxy 11, Galaxy 3C, and Galaxy 4R. In fact the misconception about the level of service also misleads customers of both companies. The US Government has entered into long term contracts for services on Intelsat Americas 5, supporting the FAA, National Park Service, Bureau of Land Management, Department of Justice, and US Fish and Wildlife Service. The standard services available to these agencies in the other states are not available at many of their operating locations in Alaska due to no line of sight to the satellite or inadequate signal levels requiring unusually large dishes in environmentally sensitive areas. The decision on the satellite platform to use for service was based on the mistaken perception that it served Alaska. To its credit, the US Postal Service chose Intelsat Americas 7 for its VSAT network, however, after the catastrophic loss of 50% of the transponders on that satellite in December 2004, the Postal Service migrated to another

satellite and several locations were no longer being served. Finally, to contend that Intelsat 701 serves Alaska may be technically correct, but it only does so at the minimum level of service it provides to any country on the global beam on C-band and to our knowledge no service provider uses this satellite due to the large expense associated with a C-band earth station. We did note some very good Ku band coverage of the New Hebrides and Marshall Islands as well as Eastern Australia. PAS-2 coverage of Alaska is comparable to the global beams on Intelsat 701 including the Ku band coverage.

- b. The contention that C-band capacity and satellites in the cable neighborhood provide significant capacity to Alaska is misleading at best. Except for capacity leased by long haul carriers on AMC-8, and Galaxy 10R, C-Band services are limited to video delivery to cable head ends. Much of this capacity is basically redundant in that there are multiple sources of the same program offerings in different formats.
- c. The contention that the Telesat Anik F1R and F2 satellites serve Alaska is also a misconception. We can only hope Telesat will eventually recognize that someone lives to their west. Telesat satellite coverage drops off dramatically west of Fairbanks and in the case of the Ka band coverage on F2, it almost literally stops at the border.

Realistically, the only capacity available for expanding broadband bandwidth serving rural Alaska is in the Ku band. That capacity is found on only three satellites, Intelsat Americas 7, Galaxy 10R, and Horizons 1; and those satellites also serve the rest of North and Central America. Of these three, Galaxy 10R and Horizons 1 don't serve the Aleutians and southern Bering Sea; and Intelsat Americas 7 has lost half its capacity. While AMC-23 represents a new resource, its primary purpose is to support the Boeing Connexion Service; and the amount of available capacity is not known.

It is not realistic to claim you serve Alaska if you only serve Ketchikan (55.25N 131.55W). The claim takes on meaning when your service reaches to Mekoryuk (60.35N 166.26W). With that as the service baseline, Microcom's conditions are only fair and reasonable; and we ask nothing more than the combined entity give the same consideration to serving Alaska that it would give remote Pacific Islands and Central America. However, with the misperceptions in the engineering, legal, and marketing staffs at both Intelsat and PanAmSat about what service to Alaska means, specific conditions are necessary on the merger to prevent continuing harm to rural Alaska consumers by maintaining the illusion Alaska is being served. The new Intelsat must understand the criticality of the orbital positions between 110 degrees west longitude and 170 degrees east longitude to providing broadband services to Alaska because those are the slots best positioned to serve rural areas. The only way we know how to insure reasonable and comparable service levels in Alaska given the history of both companies to date, is to ask the Commission to apply the conditions requested in our comments. Providing service to Alaska has to be part of the process of designing advanced satellite platforms and not a part of the review process once a satellite has already been designed and placed under contract.

Respectfully Submitted:

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