

24 March 2010

Original: English

**Committee on the Peaceful
Uses of Outer Space**
Legal Subcommittee
Forty-ninth session
Vienna, 22 March-1 April 2010

**Information on the activities of international
intergovernmental and non-governmental organizations
relating to space law**

Note by the Secretariat

This document contains the annexes to the information submitted by the International Mobile Satellite Organization (IMSO) and the International Telecommunications Satellite Organization (ITSO) contained in document A/AC.105/C.2/L.278/Add.1.



ANNEX 1

International Mobile Satellite Organization

IMSO

Information on the Activities of the IMSO

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**List of International Satellite Organization (IMSO)
Member States**

Member State	Date of Signature	Date of entry into force
Algeria (signature)	15 July 1979	16 July 1979
Antigua and Barbuda	12 October 2009	12 October 2009
Argentina (accession)	02 October 1979	02 October 1979
Australia (ratification)	16 March 1979	16 July 1979
Bahamas (accession)	12 May 1994	12 May 1994
Bahrain, State of (accession)	8 January 1986	08 January 1986
Bangladesh (accession)	17 September 1993	17 September 1993
Belarus (acceptance)	29 March 1979	16 July 1979
Belgium (ratification)	14 July 1979	16 July 1979
Bosnia and Herzegovina (accession)	17 April 1998	17 April 1998
Brazil (ratification)	10 July 1979	16 July 1979
Brunei Darussalam (accession)	04 October 1993	04 October 1993
Bulgaria (approval)	15 June 1979	16 July 1979
Cameroon (ratification)	23 October 1990	23 October 1990
Canada (signature)	17 May 1979	16 July 1979
Chile (ratification)	26 February 1981	26 February 1981
China (signature)	13 July 1979	16 July 1979
Colombia (accession)	28 October 1987	28 October 1987
Comoros	22 November 2000	22 November 2000
Cook Islands (accession)	31 October 2007	31 October 2007
Costa Rica (accession)	05 June 1995	05 June 1995
Croatia (accession)	24 November 1992	24 November 1992
Cuba (accession)	25 July 1989	25 July 1989
Cyprus (accession)	08 June 1992	08 June 1992
Czech Republic (accession)	07 December 1988	07 December 1988
Denmark (signature)	10 May 1979	16 July 1979
Egypt (accession)	29 November 1977	16 July 1979
Finland (ratification)	12 July 1979	16 July 1979
France (ratification)	18 October 1979	18 October 1979
Gabon (accession)	28 December 1984	28 December 1984
Germany	23 October 1979	23 October 1979
Ghana (accession)	11 July 1995	11 July 1995
Greece (ratification)	13 July 1979	16 July 1979
Hungary (accession)	24 July 1997	24 July 1997
Iceland (accession)	26 March 1991	26 March 1991
India (ratification)	06 June 1978	16 July 1979
Indonesia, Republic of (accession)	9 October 1986	09 October 1986

Iran, Islamic Republic of (accession)	12 October 1984	12 October 1984
Iraq (ratification)	21 July 1980	21 July 1980
Israel (accession)	13 October 1987	13 October 1987
Italy (ratification)	10 July 1979	16 July 1979
Japan (acceptance)	25 November 1977	16 July 1979
Kenya (accession)	21 July 1998	21 July 1998
Korea, Republic of (accession)	16 September 1985	16 September 1985
Kuwait (ratification)	25 February 1977	16 July 1979
Latvia (accession)	22 March 1995	22 March 1995
Lebanon (accession)	29 December 1994	29 December 1994
Liberia (ratification)	14 November 1980	14 November 1980
Libya (accession)	29 January 1999	29 January 1999
Malaysia (accession)	12 June 1986	12 June 1986
Malta (accession)	11 January 1991	11 January 1991
Marshall Islands (accession)	12 May 1997	12 May 1997
Mauritius (accession)	07 December 1992	07 December 1992
Mexico (accession)	10 January 1994	10 January 1994
Monaco (accession)	01 October 1990	01 October 1990
Montenegro	03 June 2006	03 June 2006
Morocco (accession)	21 June 1999	21 June 1999
Mozambique (accession)	18 April 1990	18 April 1990
Netherlands (approval)	15 June 1979	16 July 1979
New Zealand (signature)	17 August 1977	16 July 1979
Nigeria (accession)	23 February 1988	23 February 1988
Norway (ratification)	10 October 1978	16 July 1979
Oman (accession)	30 December 1980	30 December 1980
Pakistan (accession)	6 February 1985	06 February 1985
Panama (accession)	26 October 1987	26 October 1987
Peru (accession)	30 October 1987	30 October 1987
Philippines (accession)	30 March 1981	30 March 1981
Poland (ratification)	03 July 1979	16 July 1979
Portugal (signature)	13 July 1979	16 July 1979
Qatar (accession)	12 March 1987	28 September 1987
Romania (accession)	27 September 1990	27 September 1990
Russian Federation	13 March 1979	16 July 1979
Saudi Arabia (accession)	5 October 1983	05 October 1983
Senegal (accession)	16 June 1994	16 June 1994
Serbia, Republic of (accession)	27 September 1990	27 September 1990
Singapore (signature)	29 June 1979	16 July 1979
Slovak Republic (accession)	20 July 1993	29 July 1993
South Africa, Republic of (accession)	03 March 1994	03 March 1994
Spain (ratification)	05 September 1978	16 July 1979
Sri Lanka (accession)	15 December 1981	15 December 1981

Sweden (signature)	19 June 1979	16 July 1979
Switzerland (accession)	17 May 1989	17 May 1989
Tanzania (accession)	21 December 1998	21 December 1998
Thailand (accession)	14 December 1994	14 December 1994
Kingdom of Tonga (accession)	18 September 2003	18 September 2003
Tunisia (accession)	09 May 1983	09 May 1983
Turkey (ratification)	16 November 1989	16 November 1989
Ukraine (acceptance)	29 March 1979	16 July 1979
United Arab Emirates (accession)	13 January 1983	13 January 1983
United Kingdom (ratification)	30 April 1979	16 July 1979
United States (signature)	15 February 1979	16 July 1979
Vanuatu (accession)	20 August 2008	20 August 2008
Venezuela	27 April 2005	27 April 2005
Vietnam (accession)	15 April 1998	15 April 1998

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**IMSO CONVENTION AMENDED
AS ADOPTED BY THE TWENTIETH SESSION OF THE IMSO ASSEMBLY
PROVISIONALLY APPLIED FROM 6 OCTOBER 2008**

THE STATES PARTIES TO THIS CONVENTION:

CONSIDERING the principle set forth in Resolution 1721 (XVI) of the General Assembly of the United Nations that communication by means of satellites should be available to the nations of the world as soon as practicable on a global and non-discriminatory basis,

CONSIDERING ALSO the relevant provisions of the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon and Other Celestial Bodies, concluded on 27 January 1967, and in particular Article 1, which states that outer space shall be used for the benefit and in the interests of all countries,

DETERMINED, to this end, to continue to make provision for the benefit of telecommunications users of all nations through the most advanced suitable space technology available, for the most efficient and economic facilities possible consistent with the most efficient and equitable use of the radio frequency spectrum and of satellite orbits,

BEARING IN MIND that the International Maritime Satellite Organization (INMARSAT) has, in accordance with its original purpose, established a global mobile satellite communications system for maritime communications, including distress and safety communications capabilities which are specified in the International Convention for the Safety of Life at Sea, 1974, as amended from time to time, and the Radio Regulations specified in the Constitution and the Convention of the International Telecommunication Union, as amended from time to time, as meeting certain Radiocommunications requirements of the Global Maritime Distress and Safety System (GMDSS),

RECALLING that INMARSAT has extended its original purpose by providing aeronautical and land mobile satellite communications, including aeronautical satellite communications for air traffic management and aircraft operational control (aeronautical safety services), and is also providing radiodetermination services,

RECALLING FURTHER that in December 1994 the Assembly decided to replace the name "International Maritime Satellite Organization (INMARSAT)" with "International Mobile Satellite Organization (Inmarsat)", and that, although these amendments did not enter formally into force, the name International Mobile Satellite Organization (Inmarsat) was used thereafter, including in the restructuring documentation,

RECOGNIZING that, in the restructuring of the International Mobile Satellite Organization, its assets, commercial operations and interests were transferred without restriction to a new commercial company, Inmarsat Ltd., while the continued provision of the GMDSS and adherence to the other public interests by the company have been secured by a

mechanism for intergovernmental oversight by the International Mobile Satellite Organization (IMSO),

ACKNOWLEDGING that, by adopting IMO Assembly Resolution A.888(21), "Criteria for the Provision of Mobile-Satellite Communication Systems in the Global Maritime Distress and Safety System (GMDSS)," the International Maritime Organization (IMO) has recognized the need for IMO to have in place criteria against which to evaluate the capabilities and performance of mobile satellite communication systems, as may be notified to IMO by Governments for possible recognition for use in the GMDSS,

ACKNOWLEDGING FURTHER that IMO has developed a "Procedure for the Evaluation and Possible Recognition of Mobile-Satellite Systems Notified for Use in the GMDSS",

ACKNOWLEDGING ALSO the desire of Parties to promote the growth of a pro-competitive market environment in the current and future provision of mobile satellite communications systems services for the GMDSS,

AFFIRMING that, under such circumstances, there is a need to ensure continuity in the provision of the GMDSS through intergovernmental oversight,

ACKNOWLEDGING that IMO, through the Maritime Safety Committee (MSC) at its eighty-first session, adopted amendments to Chapter V of the International Convention for the Safety of Life at Sea, 1974 relating to the long-range identification and tracking of ships (LRIT), adopted performance standards and functional requirements for LRIT, and adopted arrangements for the timely establishment of the LRIT system,

AFFIRMING the willingness of Parties that IMSO may assume the functions and duties of the LRIT Co-ordinator, at no cost to Parties, in accordance with decisions of IMO, subject to the terms of this Convention,

ACKNOWLEDGING that the MSC, at its eighty-second session, decided to appoint IMSO as the LRIT Co-ordinator and invited IMSO to take whatever action it could in order to ensure the timely implementation of the LRIT system,

AGREE AS FOLLOWS:

Article 1
Definitions

For the purposes of this Convention:

- (a) "The Organization" means the intergovernmental organization established pursuant to Article 2.*
- (b) "GMDSS" means the Global Maritime Distress and Safety System as established by IMO.*
- (c) "Provider" means any entity or entities, which, through a mobile satellite communications system recognized by IMO, provides services for the GMDSS.*

- (d) *"Party" means a State for which this Convention has entered into force.*
- (e) *"Public Services Agreement" means an Agreement executed by the Organization and a Provider, as referred to in Article 5(1).*
- (f) *"IMO" means the International Maritime Organization.*
- (g) *"MSC" means the Maritime Safety Committee of IMO.*
- (h) *"LRIT" means the long-range identification and tracking of ships as established by IMO.*
- (i) *"LRIT Services Agreement" means an Agreement executed by the Organization and either an LRIT Data Centre or an LRIT Data Exchange, or other relevant entities, as referred to in Article 7.*
- (j) *"LRIT Data Centre" means a national, regional, co-operative or international data centre operating in conformity with requirements adopted by IMO in relation to LRIT.*
- (k) *"LRIT Data Exchange" means a data exchange operating in conformity with requirements adopted by IMO in relation to LRIT.*
- (l) *"LRIT Co-ordinator" means the Co-ordinator for the LRIT system appointed by the MSC.*

Article 2
Establishment of the Organization

The International Mobile Satellite Organization (IMSO), herein referred to as "the Organization", is hereby established.

Article 3
Primary Purpose

- (1) *The Primary Purpose of the Organization is to ensure the provision, by each Provider, of maritime mobile satellite communications services for the GMDSS according to the legal framework set up by IMO.*
- (2) *In implementing the Primary Purpose set out in paragraph (1), the Organization shall:*
 - (a) *act exclusively for peaceful purposes; and*
 - (b) *perform the oversight functions in a fair and consistent manner among Providers.*

Article 4
Other Functions

- (1) *Subject to the decision of the Assembly, the Organization may assume functions and/or duties of LRIT Co-ordinator, at no cost to Parties, in accordance with the decisions of IMO.*

(2) The Organization shall continue to perform the functions and/or duties of LRIT Co-ordinator, subject to the decision of the Assembly. In performing such functions and/or duties, the Organization shall act in a fair and consistent manner.

Article 5 Oversight of the GMDSS

(1) The Organization shall execute a Public Services Agreement with each Provider, and shall conclude such other arrangements as may be necessary to enable the Organization to perform its oversight functions, and to report as well as make recommendations, as appropriate.

(2) Oversight of Providers by the Organization shall be based on:

- (a) any specific conditions or obligations imposed by the IMO during, or at any stage after, the recognition and authorization of the Provider;
- (b) relevant international regulations, standards, recommendations, resolutions and procedures relating to the GMDSS;
- (c) the relevant Public Services Agreement and any other related arrangements concluded between the Organization and the Provider.

(3) Each Public Services Agreement shall include, *inter alia*, general provisions, common principles and appropriate obligations for the Provider in accordance with a Reference Public Services Agreement and guidelines developed by the Assembly, including arrangements for the provision of all the information necessary for the Organization to fulfil its purpose, functions and duties, consistent with Article 3.

(4) All Providers shall execute Public Services Agreements which shall also be executed by the Director General on behalf of the Organization. Public Services Agreements shall be approved by the Assembly. The Director General shall circulate the Public Services Agreements to all Parties. Such Agreements shall be considered approved by the Assembly unless more than one-third of the Parties submit written objections to the Director General within three months from the date of circulation.

Article 6 Facilitation

(1) Parties shall take appropriate measures, in accordance with national laws, to enable Providers to provide GMDSS services.

(2) The Organization, through existing international and national mechanisms dealing with technical assistance, should seek to assist Providers in their effort to ensure that all areas, where there is a need, are provided with mobile satellite communications services, giving due consideration to the rural and remote areas.

Article 7 LRIT Services Agreements

In order to perform its LRIT Co-ordinator functions and duties, including recovery of the costs incurred, the Organization may enter into contractual relationships, including LRIT

Services Agreements, with LRIT Data Centres, LRIT Data Exchanges, or other relevant entities, on such terms and conditions as may be negotiated by the Director General, subject to oversight by the Assembly.

Article 8
Structure

The organs of the Organization shall be:

- (a) The Assembly.*
- (b) A Directorate, headed by a Director General.*

Article 9
Assembly - Composition and Meetings

- (1) The Assembly shall be composed of all the Parties.*
- (2) Regular sessions of the Assembly shall be held once every two years. Extraordinary sessions shall be convened upon the request of one-third of the Parties or upon the request of the Director General, or as may be provided for in the Rules of Procedure for the Assembly.*
- (3) All Parties are entitled to attend and participate at meetings of the Assembly, regardless of where the meeting may take place. The arrangements made with any host country shall be consistent with these obligations.*

Article 10
Assembly - Procedure

- (1) Each Party shall have one vote in the Assembly.*
- (2) Decisions on matters of substance shall be taken by a two-thirds majority, and on procedural matters by a simple majority, of the Parties present and voting. Parties which abstain from voting shall be considered as not voting.*
- (3) Decisions whether a question is procedural or substantive shall be taken by the Chairman. Such decisions may be overruled by a two-thirds majority of the Parties present and voting.*
- (4) A quorum for any meeting of the Assembly shall consist of a simple majority of the Parties.*

Article 11
Assembly - Functions

The functions of the Assembly shall be:

- (a) to consider and review the purposes, general policy and long term objectives of the Organization and the activities of the Providers which relate to the primary purpose;*
- (b) to take any steps or procedures necessary to ensure that each Provider carries out its obligation of providing maritime mobile satellite communications services for the*

GMDSS, including approval of the conclusion, modification and termination of Public Services Agreements;

- (c) to decide upon questions concerning formal relationships between the Organization and States, whether Parties or not, and international organizations;*
- (d) to decide upon any amendment to this Convention pursuant to Article 20 thereof;*
- (e) to appoint a Director General under Article 12 and to remove the Director General;*
- (f) to endorse the budget proposals of the Director General, and to establish procedures for the review and approval of the budget;*
- (g) to consider and review the purposes, general policy and long term objectives of the Organization in the performance of the Organization's role as LRIT Co-ordinator, and to take appropriate steps necessary to ensure that the Organization performs its role as LRIT Co-ordinator;*
- (h) to take any steps or procedures necessary in the negotiation and execution of LRIT Services Agreements and/or contracts, including approval of the conclusion, modification and termination of such Agreements and/or contracts; and*
- (i) to exercise any other function conferred upon it under any other Article of this Convention.*

Article 12
Directorate

- (1) The term of appointment of the Director General shall be for four years or such other term as the Assembly decides.*
- (2) The Director General shall serve for a maximum of two consecutive terms, unless the Assembly decides otherwise.*
- (3) The Director General shall be the legal representative of the Organization and Chief Executive Officer of the Directorate, and shall be responsible to and under the direction of the Assembly.*
- (4) The Director General shall, subject to the guidance and instructions of the Assembly, determine the structure, staff levels and standard terms of employment of officials and employees, and consultants and other advisers to the Directorate, and shall appoint the personnel of the Directorate.*
- (5) The paramount consideration in the appointment of the Director General and other personnel of the Directorate shall be the necessity of ensuring the highest standards of integrity, competency and efficiency.*
- (6) The Organization shall conclude, with any Party in whose territory the Organization establishes the Directorate, an agreement, to be approved by the Assembly, relating to any facilities, privileges and immunities of the Organization, its Director General, other officers, and representatives of Parties whilst in the territory of the host Government, for the purpose of*

exercising their functions. The agreement shall terminate if the Directorate is moved from the territory of the host Government.

(7) All Parties, other than a Party which has concluded an agreement referred to in paragraph (6), shall conclude a Protocol on the privileges and immunities of the Organization, its Director General, its staff, of experts performing missions for the Organization and representatives of Parties whilst in the territory of Parties for the purposes of exercising their functions. The Protocol shall be independent of this Convention and shall prescribe the conditions for its termination.

Article 13

Costs

(1) The Organization shall keep separate accounts of costs incurred for GMDSS oversight and LRIT Co-ordinator services. The Organization shall, in the Public Services Agreements, and in the LRIT Services Agreements and/or contracts, as appropriate, arrange for the costs associated with the following to be paid by the Providers and by entities with which the Organization has entered into LRIT Services Agreements and/or contracts:

- (a) the operation of the Directorate;
- (b) the holding of Assembly sessions and meetings of its subsidiary bodies;
- (c) the implementation of measures taken by the Organization in accordance with Article 5 to ensure that the Provider carries out its obligation of providing maritime mobile satellite communications services for the GMDSS; and
- (d) the implementation of measures taken by the Organization in accordance with Article 4 in its role as LRIT Co-ordinator.

(2) The costs defined in paragraph (1) shall be apportioned between all Providers and among entities with which the Organization has entered into LRIT Services Agreements and/or contracts, as appropriate, according to rules set up by the Assembly.

(3) No Party shall be obligated to pay for any costs associated with the performance by the Organization of the functions and duties of LRIT Co-ordinator by reason of its status as a Party to this Convention.

(4) Each Party shall meet its own costs of representation at Assembly sessions and meetings of its subsidiary bodies.

Article 14

Liability

Parties are not, in their capacity as such, liable for the acts and obligations of the Organization or the Providers, except in relation to non-Parties or natural or juridical persons they might represent in so far as such liability may follow from treaties in force between the Party and the non-Party concerned. However, the foregoing does not preclude a Party which has been required to pay compensation under such a treaty to a non-Party or to a natural or juridical person it might represent from invoking any rights it may have under that treaty against any other Party.

Article 15
Legal Personality

The Organization shall have legal personality. For the purpose of its proper functioning, it shall, in particular, have the capacity to contract, to acquire, lease, hold and dispose of movable and immovable property, to be a party to legal proceedings and to conclude agreements with States or international organizations.

Article 16
Relationship with other International Organizations

The Organization shall cooperate with the United Nations and its bodies dealing with the Peaceful Uses of Outer Space and Ocean Area, its Specialized Agencies, as well as other international organizations, on matters of common interest.

Article 17
Settlement of Disputes

Disputes between Parties, or between Parties and the Organization, relating to any matter arising under this Convention, should be settled by negotiation between the parties concerned. If within one year of the time any party has requested settlement, a settlement has not been reached and if the parties to the dispute have not agreed either (a) in the case of disputes between Parties to submit it to the International Court of Justice; or (b) in the case of other disputes to some other procedure for settling disputes, the dispute may, if the parties to the dispute consent, be submitted to arbitration in accordance with the Annex to this Convention.

Article 18
Consent to be Bound

(1) This Convention shall remain open for signature in London until entry into force and shall thereafter remain open for accession. All States may become Parties to the Convention by:

- (a) Signature not subject to ratification, acceptance or approval, or*
 - (b) Signature subject to ratification, acceptance or approval, followed by ratification, acceptance or approval, or*
 - (c) accession.*
- (2) Ratification, acceptance, approval or accession shall be effected by the deposit of the appropriate instrument with the Depositary.*
- (3) Reservations cannot be made to this Convention.*

Article 19
Entry into Force

- (1) *This Convention shall enter into force sixty days after the date on which States representing 95 percent of the initial investment shares have become Parties to the Convention.*
- (2) *Notwithstanding paragraph (1), if the Convention has not entered into force within thirty-six months after the date it was opened for signature, it shall not enter into force.*
- (3) *For a State which deposits an instrument of ratification, acceptance, approval or accession after the date on which the Convention has entered into force, the ratification, acceptance, approval or accession shall take effect on the date of deposit.*

Article 20
Amendments

- (1) *An amendment to this Convention may be proposed by any Party. The proposed amendment shall be circulated by the Director General to all Parties and to Observers. The Assembly shall consider the proposed amendment not earlier than six months thereafter. This period may in any particular case be reduced by up to three months by a substantive decision of the Assembly. Providers and Observers shall have the right to provide comments and input to Parties concerning the proposed amendment.*
- (2) *If adopted by the Assembly, the amendment shall enter into force one hundred and twenty days after the Depositary has received notices of acceptance from two-thirds of those States which, at the time of adoption by the Assembly, were Parties. Upon entry into force, the amendment shall become binding upon those Parties that have accepted it. For any other State which was a Party at the time of adoption of the amendment by the Assembly, the amendment shall become binding on the day the Depositary receives its notice of acceptance.*

Article 21
Withdrawal

Any Party may, by written notification to the Depositary, withdraw voluntarily from the Organization at any time, such withdrawal to be effective upon receipt by the Depositary of such notification.

Article 22
Depositary

- (1) *The Depositary of this Convention shall be the Secretary-General of IMO.*
- (2) *The Depositary shall promptly inform all Parties of:*
- (a) *Any signature of the Convention.*
 - (b) *The deposit of any instrument of ratification, acceptance, approval or accession.*
 - (c) *The entry into force of the Convention.*
 - (d) *The adoption of any amendment to the Convention and its entry into force.*

(e) *Any notification of withdrawal.*

(f) *Other notifications and communications relating to the Convention.*

(3) *Upon entry into force of an amendment to the Convention, the Depositary shall transmit a certified copy to the Directorate of the United Nations for registration and publication in accordance with Article 102 of the Charter of the United Nations.*

IN WITNESS WHEREOF the undersigned, duly authorized by their respective Governments, have signed this Convention.

DONE AT LONDON this third day of September one thousand nine hundred and seventy-six in the English, French, Russian and Spanish languages, all the texts being equally authentic, in a single original which shall be deposited with the Depositary, who shall send a certified copy to the Government of each of the States which were invited to attend the International Conference on the Establishment of an International Maritime Satellite System and to the Government of any other State which signs or accedes to this Convention.

[Signatures omitted]

LIST OF LRIT DATA CENTRES INTEGRATED BY IMSO IN 2009

No	Name of Data Centre	DC type
1	Antigua and Barbuda	National
2	Australia	National
3	Bahamas *	National
4	Bahrain	National
5	Barbados	National
6	Belize	National
7	Bermuda (UK)	National
8	Brazil *	National
9	Canada *	National
10	Cayman Islands (UK)	National
11	Chile	National
12	China	National
13	Croatia	National
14	Egypt	National
15	EU	Cooperative
16	Faroe Islands (Denmark)	National
17	India	National
18	Indonesia	National
19	Isle of Man (UK)	National
20	Israel	National
21	Jamaica	National
22	Japan	National
23	Jordan	National
24	Kuwait	National
25	Liberia	National
26	Marshall Islands *	National
27	Morocco	National
28	Myanmar	National

29	Pacific (Tuvalu, Kiribati and Mongolia)	Cooperative
30	Pakistan	National
31	Panama	National
32	Qatar	National
33	Republic of Korea *	National
34	Russian Federation	National
35	Saint Kitts and Nevis	National
36	Saint Vincent and the Grenadines	National
37	Sierra Leone	National
38	Singapore	National
39	South Africa	National
40	Turkey	National
41	USA *	National
42	Vanuatu	National

* Prototype Centre

**LIST OF LRIT SERVICES AGREEMENTS SIGNED
BETWEEN IMSO AND LRIT DATA CENTRES**

No	Name of Data Centre	
1	Algeria	
2	Australia	
3	Bahamas	
4	Bahrain	
5	Belize	
6	Bermuda (UK)	
7	Bolivia	
8	Canada	
9	Cayman Islands (UK)	
10	Chile	
11	Croatia	
12	Ecuador	
13	Egypt	
14	EU Cooperative	
15	Faroe Islands (Denmark)	
16	India	
17	Indonesia	

No	Name of Data Centre	
18	Isle of Man (UK)	
19	Israel	
20	Jamaica	
21	Jordan	
22	Liberia	
23	Marshall Islands	
24	Montenegro	
25	Nigeria	
26	Pacific CDC	
27	Pakistan	
28	Panama	
29	Qatar	
30	Republic of Korea	
31	Sierra Leone	
32	South Africa	
33	Turkey	

ANNEX 2

International Telecommunications Satellite Organization ITSO

ANNUAL REPORT 2008

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1. RESTRUCTURING OF THE ORGANIZATION

1.1 BACKGROUND

The International Telecommunications Satellite Organization (“ITSO,” formerly abbreviated and referred to as “INTELSAT”) is the continuation of the 148-member country intergovernmental organization (IGO) established by treaty in 1972.¹ On July 18, 2001 the satellite fleet, customer contracts and other operational assets were transferred to Intelsat, Ltd., a new private company registered in Bermuda.

The IGO’s orbital locations are now under the jurisdiction of the United States as the “Notifying Administration” for assignments in the C- and Ku-bands, and to the United Kingdom for assignments in the Ka- and V-bands. In turn, these orbital locations and associated frequency assignments, referred to as the Parties’ “Common Heritage” of ITSO’s member countries, were licensed for use to Intelsat, Ltd., by the United States and the United Kingdom. In addition, ITSO’s member countries (“the Parties”) transferred landing licenses to Intelsat, Ltd., usually without charge, to enable Intelsat to provide telecommunications services in each of ITSO’s member countries.

As part of the 2001 privatization of INTELSAT’s operating assets, ITSO became the continuing IGO of INTELSAT, in accordance with amendments to the 1972 INTELSAT Agreement.² ITSO’s mission is to ensure that, post-privatization, Intelsat provides international telecommunications services pursuant to a Public Services Agreement (PSA) between ITSO and Intelsat, Ltd. The Agreement establishes the following “Core Principles” that govern Intelsat’s provision of services:

- Maintaining global connectivity and global coverage for any country or territory that desires to connect with any other country or territory within and between the five regions of America, Western Europe, Eastern Europe, Africa and Asia;

¹ See Agreement Relating to the International Telecommunications Satellite Organization, “INTELSAT,” 23 U.S.T. 3813; TIAS No. 7532, (February 12, 1973).

² Amendments to the Agreement entered into force on November 30, 2004 in accordance with Article, XVII, paragraph (e).

- Providing public telecommunications services, including capacity and price protection guarantees, to customers identified as, and connecting with, "Lifeline Connectivity Obligation" ("LCO") customers;
- Providing domestic public telecommunications services between areas separated by geographic areas not under the jurisdiction of the state concerned, between areas separated by high seas, or between areas that are not linked by any terrestrial facilities and which are separated by natural barriers of such an exceptional nature that they impede the establishment of terrestrial facilities; and
- Ensuring non-discriminatory access to Intelsat, Ltd.'s communications system.

Adherence to these Core Principles was of such fundamental importance to the privatization of ITSO's satellite assets that the transfer of operating assets to Intelsat was *conditioned* on Intelsat's ongoing adherence to the PSA. The PSA stipulates that Intelsat, Ltd.'s performance of the Public Service Obligations, which incorporate the Core Principles, is the consideration for ITSO's transfer of assets to Intelsat, Ltd. and Intelsat's right to use the Parties' Common Heritage orbital locations and associated frequency assignments.

1.2 PARTIES' COMMON HERITAGE

The amended treaty Agreement defines the Parties' "Common Heritage" as "*those frequency assignments associated with orbital locations in the process of advanced publication, coordination or registered on behalf of the Parties with the International Telecommunication Union ("ITU") ...which are transferred to a Party or Parties pursuant to Article XII ["Frequency Assignments"]*." At the time of Restructuring in 2001, the Assembly of Parties selected the Administrations of the United States and the United Kingdom as the "Notifying Administrations" for the satellite network filings that are used by the new Intelsat, Ltd. private company. In accordance with the amended treaty Agreement, the Director General, on behalf of ITSO, considers all issues arising from the Parties' Common Heritage assets and communicates the views of the Parties to the Notifying Administrations.

The 31st meeting of the Assembly of Parties held in March 2007, approved an amendment of the ITSO Agreement (Article XII, Paragraph (c) (ii)) in order to protect the Parties' Common Heritage orbital locations and associated frequency assignments. Under the terms of this amendment, the Parties' interests in the Common Heritage would be protected in the event that the current licensed user of these frequency assignments, the Intelsat, Ltd., satellite operator, (i) waives such frequency assignments, (ii) uses such

frequency assignments in ways other than those set forth in the ITSO Agreement, or (iii) declares bankruptcy. Specifically, the amendment enables other satellite operator(s), in case of the events cited above, to use these frequency assignments once they have signed a public services agreement with ITSO. During 2008, the process of ratification of this amendment by the member States continued in view of the entry into force of this amendment to the ITSO Agreement.

The 32nd meeting of the ITSO Assembly of Parties, held in October 2008, took key decisions on the Parties' Common Heritage assets. In view of the desirability of distinguishing the former INTELSAT filings from the other networks/assignments of the Notifying Administrations in the ITU Radiocommunications Bureau (BR) databases, and believing that such differentiation would contribute in a significant way to safeguarding this Common Heritage, the meeting decided "to request the Notifying Administrations, in coordination with the Director General, to promptly undertake the necessary actions at the ITU to amend the label of the Parties' Common Heritage orbital locations and associated frequency assignments in the ITU Registry to more clearly reflect their status as part of the Parties' Common Heritage (i.e., USA/CH or UK/CH)."

The meeting also devoted considerable attention to the obligations of the Notifying Administrations under Article XII (e) (iv) of the ITSO Agreement and decided to establish a deadline to secure the faithful satisfaction of these requirements.³ If this deadline does not allow for an agreement on a satisfactory set of procedures, the Director General shall consider whether it would then be appropriate to invoke the Settlement of Dispute mechanism contained in Article XVI of the ITSO Agreement and, if so, shall convene an Extraordinary Assembly of Parties to obtain specific authorization to do so.

1.3 ACQUISITION OF INTELSAT, LTD. BY BC PARTNERS AND OTHER INVESTORS

Following an auction conducted by Credit Suisse, Intelsat, Ltd., signed on 19 June 2007 an agreement for the purchase of a majority of the shares by funds advised by BC Partners ("BCP")⁴, Silver Lake and other investors. The BCP funds-led group would acquire approximately 71% of the primary ownership of Intelsat Holdings, Ltd., in a transaction valuing the Company's equity at approximately \$5 billion. Taking into

³ Article XII (e) (iv) of the ITSO Agreement stipulates that "each Party selected as a Notifying Administration [for the Parties' Common Heritage orbital locations and associated frequency assignments] shall notify and consult with the Director General on ITU satellite system coordinations that are undertaken on behalf of the Company to assure that global connectivity and service to lifeline users are maintained."

⁴ BCP Partners Holdings Limited ("BCP") is an investment firm organized under the laws of Guernsey.

account approximately \$11.4 billion of debt as of March 31, 2007, the enterprise valuation implied by the transaction was approximately \$16.4 billion. The outgoing shareholders of Intelsat, including funds advised by Apax Partners, Apollo Management, Madison Dearborn Partners, Permira and management, received at closing approximately \$4.6 billion in cash.

The agreement was signed with Serafina Holdings Limited ("Serafina"), a Bermuda-based company indirectly controlled by BCP. Serafina acquired Intelsat through its wholly-owned subsidiary, Serafina Acquisition Limited, a Bermuda company. BCP controls approximately 76.4% of the equity interest in Serafina and consequently controls Serafina and, by extension, Intelsat. The Serafina Board of Directors⁵ is composed of four members designated by the following investors: (i) BCP (two members); (ii) Silver Lake Group, L.L.C. ("Silver Lake") (1 member); and Intelsat's Chief Executive Officer.

Silver Lake⁶ holds approximately 16.85% of the equity interests in Serafina through its control of two funds. Silver Lake also was expected to hold certain veto rights over decisions of Serafina's board. Other investors in Serafina include Bank of America Capital Investors V, L.P. (3.37%); CSFB Strategic Partners III, L.P., which is indirectly controlled by Credit Suisse (1.35%); and twelve members of Intelsat's management team (collectively, approximately 2.04%).

As a result of the financings, the Company's debt increased by \$3.85 billion at closing to approximately \$16 billion. BCP has obtained financing commitments from a group of financial institutions led by affiliates of Credit Suisse, Bank of America Securities and Morgan Stanley for \$5.11 billion; the proceeds of which will be used to fund the transaction, repay certain indebtedness and pay certain transaction fees and expenses.

Since the transaction increased the indebtedness of the company and the risk of non-fulfillment of the company's public service obligations, and to the integrity of the Parties' Common Heritage, ITSO insisted that the U.S. Federal Communications Commission ("the FCC") approve the modifications of the Intelsat Space Station authorizations for satellites using the Parties' Common Heritage before the transfer of such authorizations to Serafina was completed (see Section 1.4).

On December 19, 2007 the FCC issued its Memorandum Opinion and Order approving the BC Partners transaction. This Memorandum Opinion and Order approves the transfer of control of the Intelsat's licenses to Serafina conditioned upon compliance with conditions set out by the U.S. Department of Justice, the Federal Bureau of Investigation,

⁵ The Boards of Intelsat, Serafina and Serafina Acquisition Limited will be the same.

⁶ Silver Lake is a group that invests in technology with principal offices in California and New York.

and the U.S. Department of Homeland Security. On February 2008, the transfer of Intelsat's licenses to Serafina became effective and definitely closed the transaction.

1.4 *ENSURING THE LONG-TERM SURVIVABILITY OF INTELSAT'S ABILITY TO FULFILL ITS PUBLIC SERVICE OBLIGATIONS*

On 10 July 2006, and as requested by ITSO's member States, ITSO petitioned the FCC under section 316 of the U.S. Communications Act to modify Intelsat, LLC's⁷ satellite licenses for use of the orbital locations and associated frequency assignments that constitute the Parties' Common Heritage. The license modifications requested by ITSO were intended to assure adherence by Intelsat, or any successor or subsequent satellite operator using the Parties' Common Heritage assets, to the "Core Principles" established by the ITSO Agreement. By filing this Petition, ITSO requested that the FCC, in accordance with the U.S. role as the primary "Notifying Administration" and licensing jurisdiction for the Parties' Common Heritage assets, condition the relevant licenses by:

- Ensuring that the FCC's licenses to Intelsat are linked to the Core Principles;
- Ensuring that any successor to Intelsat, or other satellite operator that uses the Parties' Common Heritage assets, is bound by the Core Principles in the ITSO Agreement through the execution of a Public Services Agreement with ITSO; and
- Requiring that Intelsat place a lien, letter of credit, third party guarantee or other legal instrument on certain satellites in order to provide bankruptcy protection to ensure the fulfillment of the "Core Principles" of the ITSO treaty Agreement, including global connectivity, global coverage, non-discriminatory access and protection of lifeline connectivity obligation (LCO) contracts. This protection would include the replacement of a sufficient number of satellites for the ongoing achievement of these goals.

Since the transaction with Serafina will increase the indebtedness of the company and the risk of non-fulfillment of the company's public service obligations, and to the integrity of the Parties' Common Heritage, ITSO insisted that the FCC approve the modifications of the Intelsat Space Station authorizations for satellites using the Parties' Common Heritage before the transfer of such authorizations to Serafina is completed.

On November 23, 2007, the FCC issued an Order Proposing Modifications to the Intelsat's licenses. Intelsat was given 30 days to file a written statement showing with

⁷ Intelsat, LLC is the U.S. licensee for satellites operated by Intelsat, Ltd. of Bermuda, which uses the Parties' Common Heritage orbital allocations that are the subject of the petition.

particularity why its licenses should not be modified as proposed in the Order.

On December 21, 2007, Intelsat filed with the FCC a "Motion for Extension of Time" requesting the FCC to extend the deadline for comments on the Order Proposing Modifications to the Intelsat's licenses up to January 10, 2008.

On January 10, 2008, Intelsat filed with the FCC a "Limited Protest to Seek Clarification" of the FCC Order Proposing Modifications to the Intelsat's licenses.

On February 1, 2008, the U.S. Department of State ("the DOS") wrote to the FCC to support a FCC's expeditious action to impose the agreed conditions and to close the proceeding.

On February 21, 2008, the FCC issued an Order of Modification to the Intelsat's licenses. This Order implements the two conditions supported by the DOS and clarifies that, as part of routine processing, the FCC will add conditions in authorizations in connection with authority to launch into or operate a satellite at one of the Parties' Common Heritage orbital locations, and remove conditions in connection with authority to operate at other orbital locations.

1.5 *THIRTY-SECOND ASSEMBLY OF PARTIES ("AP-32") MEETING*

The Assembly of Parties held its 32nd meeting ("AP-32") in Estoril, Portugal from 6 to 10 October 2008. 100 member States were represented at AP-32. The meeting was chaired by Mr. Saraiva Mendes, Special Representative of the Minister of Public Works, Transport and Communications of the Republic of Portugal.

During its deliberations, the Assembly took decisions on a number of key issues including the Parties' Common Heritage assets and the Goals and Objectives of the Organization for 2008-2013 (Annex 1), aiming at the imperative continuity of the provision of international public telecommunications services by Intelsat in a more uncertain financial and economic market and at universalizing satellite broadband connectivity.

The Assembly elected Mr. José Toscano as Director General for four years, through July 2013. Mr. Toscano, a citizen of Portugal, will replace Mr. Ahmed Toumi whose mandate runs through 18 July 2009.

2. INTELSAT, LTD.'S NETWORK

In 2008, Intelsat, Ltd.'s global communications network included 50 satellites in orbit, leased capacity on two additional satellites owned by other operators in the Asia-Pacific region, and ground facilities related to the operation and control of Intelsat's satellites. Intelsat's network also included ground network assets consisting of eight owned teleports, over 50 points of presence and fiber connectivity in locations around the world that it uses to provide integrated and end-to-end services.

Launch of New Satellites

In May 2008, Intelsat launched the Galaxy 18 satellite. This satellite joined Intelsat's North American cable community within its Galaxy fleet comprised of 16 other satellites that cover North America, Central America and the Caribbean. The satellite features 24 C- and 24 Ku-band transponders allowing for increased power and flexibility for video and data transmissions.

In September 2008, Intelsat launched the Galaxy 19 satellite. This satellite will operate from 97° west, replacing the Galaxy 25 spacecraft. Galaxy 19 will provide 50-state coverage, in addition to reaching the Caribbean, Canada and Mexico, to video, government and network customers. Galaxy 19 will join Intelsat's North American Galaxy fleet comprised of 16 other satellites that cover North America, Central America and the Caribbean.

**ITSO'S GOALS AND OBJECTIVES
(2008-2013)**

ITSO'S GOALS AND OBJECTIVES (2008-2013)

Background

1. The establishment of the INTELSAT as an intergovernmental organization was based on two international public law instruments developed under the auspices of the International Telecommunications Satellite Organization. These are:

- (a) the Agreement Relating to the International Telecommunications Satellite Organization, among the member Parties of the Organization; and
- (b) the Operating Agreement between the public or private telecommunications entities (one per Party), called "Signatories" and designated by a member State.

Both instruments entered into force on 12 February 1973.

2. The purpose of INTELSAT was to provide, through a single global commercial telecommunication satellite system, the space segment required for international public telecommunications services of the highest quality and reliability to be available on a non-discriminatory basis to all areas of the world.

3. After almost 30 years of successful operation, the member States and Signatories of the INTELSAT intergovernmental organization decided to challenge the rapidly growing competition from private providers of satellite communications services, and enacted the historic restructuring of the organization on 18 July 2001. The restructuring consisted of the liberalization of the satellite public telecommunication services sector and the privatization of the commercial business carried on by the intergovernmental organization.

4. The privatization involved the incorporation of holding and operating companies, located in Bermuda, the United States, and the United Kingdom and the transfer of INTELSAT satellites and other assets to these new privatized entities. This transfer was conditioned on privatized Intelsat's full assumption of the public telecommunications services obligation, through the Public Services Agreement and as contained in Intelsat's corporate bye-laws.

5. In recognition of the public services obligations of the privatized Intelsat, ITSO's member States authorized it to use, free of charge, all orbital locations and their associated frequency assignments ("the Common Heritage")⁸ that were acquired and registered at the ITU.

6. Article III of the Agreement sets out the primary purpose of ITSO. Specifically, Article III states that "the main purpose of ITSO is to ensure, through the Public Services Agreement, that Intelsat provides, on a commercial basis, international public telecommunications services, in order to ensure performance of the Core Principles."⁹ The Core Principles that are detailed in Article III include:

- (i) maintaining global connectivity and coverage;
- (ii) serving developing countries through service to lifeline connectivity customers; and
- (iii) providing non-discriminatory access to the Company's system.

7. Under the Public Services Agreement (PSA) between Intelsat and ITSO, the public services obligations are deemed to be met if Intelsat:

- (i) maintains global connectivity and coverage and serves its lifeline connectivity customers by providing the capability for any country or territory to connect with any other country or territory through the provision of capacity from at least one satellite in each of the three ocean regions: the Atlantic Ocean region, the Indian Ocean region and the Pacific Ocean region such that these satellites together provide global coverage to all ITU regions;
- (ii) honors its obligations under the LCO contracts; and

⁸ Article I (l) of the Agreement defines the term "Common Heritage" as, "those frequency assignments associated with orbital locations in the process of advanced publication, coordination or registered on behalf of the Parties with the International Telecommunications Union ('ITU') in accordance with the provisions set forth in the ITU's Radio Regulations which are transferred to a Party or Parties pursuant to Article XII."

⁹ Article I (f) of the Agreement defines "public telecommunications services" as "fixed or mobile telecommunications services which can be provided by satellite and which are available for use by the public, such as telephony, telegraphy, telex, facsimile, data transmission, transmission of radio and television programs between approved earth stations having access to the Company's space segment for further transmission to the public, and leased circuits for any of these purposes; but excluding those mobile services ... relating to the safety or flight control of aircraft or to aviation or maritime radio navigation."

(iii) provides non-discriminatory access to the Intelsat system.

8. This document sets out the goals and objectives for ITSO based on the Core Principles, and outlines key strategies and actions for their implementation. These goals and objectives provide the primary direction for ITSO as it confronts the rapidly changing international telecommunications environment.

General Telecommunications Environment

9. The international telecommunications environment has undergone significant developments and changes during the past years, including regulatory changes, new business developments and market trends, introduction of new technologies and increased competition.

Structural Environment

10. **Liberalization and competition:** The international telecommunications environment has been reshaped by a worldwide trend to liberalize. As a result of this trend, the majority of telecommunications operators are now privately owned. Substantial developments also have taken place to introduce competition at the national as well as the regional and international levels, and competition is becoming a market force as can be illustrated by the rapid and unpredicted emergence of the Internet.

11. **Privatization:** The trend to transform government-owned entities or intergovernmental organizations into private sector businesses is now a reality. In the era of increasing competition, the concept of a single telecommunications services operator in a country is becoming increasingly obsolete. Established carriers, many of which were former governmental monopolies, are now providing liberalized access to their competitors on their networks.

12. **World Trade Organization (WTO) regulatory principles:** One hundred and eighteen of ITSO's 148 member Parties are members of the WTO, and the majority have committed to opening their satellite market. The new round of discussions decided by the WTO ministerial meeting at Doha (Qatar) in November 2001 has set the goal of promoting a more global market for telecommunications services based on the following regulatory principles: universal service, competitive safeguards, interconnection and interoperability, non-discrimination, public availability of licensing criteria, and allocation and use of scarce resources. In addition, many satellite service providers regard the WTO telecommunications agreement as providing new business opportunities.

New Trends in the Telecommunications Services Environment

13. **Mobile telephony:** The mobile telephony market has been the fastest growing service segment in the telecommunications sector, and has largely surpassed fixed telephony for the provision of telephony and related telecommunications services. In some developing countries, mobile telephony is becoming the primary access method for new users.

14. **Internet:** Internet and IP-based data services have been the second fastest growing sector in communications development. A primary factor contributing to the Internet growth is the rapidly declining cost of communications. Policy reforms, competition and technological innovation have played a major role in this price trend, although these cost reductions are not always available equally throughout the world. Satellites, because of their inherent ability to cover geographically diverse areas, contribute significantly to creating “digital opportunities” for worldwide Internet users.

Convergence of Technologies

15. **Information and communications technologies (ICT):** Much of the success in bridging the digital divide can be attributed to the widespread introduction of new technologies and the recognition that ICT is an essential tool for socio-economic development and for achieving universal access.

16. **Convergence:** The development and diversification of services, coupled with their digitization, has led to the convergence of digital platforms for telecommunications, information and computing. This convergence, in turn, can become a critical factor for the optimization of investments in telecommunication infrastructure and services.

17. **Cost of equipment and services:** Increasingly, countries are concerned with the cost associated with the implementation of infrastructure equipment and services, as they seek use of new technologies. While the cost of equipment and services has, in many cases, been significantly reduced, the adoption of universal standards in both equipment and services is viewed by many developing countries as critical for the continuance of this downward pricing trend.

International Telecommunications Environment

18. **Satellite systems:** The satellite market has undergone many recent changes, particularly in the structure of its financing and service distribution. These changes were a significant factor in the privatization of the intergovernmental satellite organizations, such as INTELSAT and EUTELSAT, and in the general trend towards consolidation by satellite operators. The non-intergovernmental satellite operators,

previously called "separate systems," have been freed up to provide basic telecommunications services on a global basis. Customers now look towards service providers for an end-to-end product with less regard to whether the facilities used are terrestrial or space based.

19. The restructuring of the intergovernmental organizations has triggered a large movement of merger and acquisitions among satellite operators. Astra (Luxembourg) has acquired SES Americom (United States) and New Skies (Netherlands) and became a global operator "SES Global". Eutelsat has operated a strategic partnership with Hispasat (Spain) and acquired additional satellites to expand its coverage to Asia and North and South America. Intelsat has merged with PanAmSat (United States) and has become the largest operator in terms of in-orbit capacity.

20. While switched telephony services continue their decline following their migration to fiber optic cables, demand for satellite capacity has substantially increased in Africa, Central Asia and the Pacific region to meet the expansion of mobile and Internet services. Demand has also surged in developed countries for broadband, high-definition television, and military applications. Unless substantial investments in new satellites are made, this demand will not be met.

21. The past few years also have witnessed the emergence of new satellite systems, using new generations of satellites with innovative technologies to provide, on a global basis, multimedia, broadband Internet connection and other broadband services in the Ku- and Ka-bands. After a shift away from global broadband systems due mainly to financial constraints, several established and new companies started providing Ku- and Ka-band direct-to-home broadband services this year to limited but profitable markets. The success of direct-to-home broadband business model has encouraged some satellite operators, including Eutelsat and Intelsat to dedicate Ka-band satellites to exclusively provide these services.

22. **Fiber-optic cable and terrestrial systems:** The fiber-optic cable industry also has experienced an explosion of new projects. The rapid emergence and deployment of these projects was the result of a steep acceleration of bandwidth demand, the deregulation of telecommunications markets, the replacement of existing lines, and the rise of new telecommunication technologies that set in motion a precipitous decline in cost per bit rate.

23. After experiencing strong growth in the Atlantic and Pacific regions, and after several years of unprecedented volume demand for fiber-optic cable due to a confluence of regulatory, investment and technology factors, the expansion of fiber networks has come to an abrupt halt. This decline was the result of over capacity, under-utilization and less available financing, declining capital expenditure budgets, and business performance problems. The focus for many carriers is to maximize the use of current assets and continue a trend of consolidation.

24. Recent major anomalies in submarine fiber-optic cables have proven that satellite infrastructure remains a vital complement to cable infrastructure. In fact, satellites were quickly and reliably able to restore services to affected countries and businesses in the world.

ITSO's Mission, Goals and Objectives

25. **Mission:** The mission of ITSO is to ensure, in accordance with the Agreement, the provision by Intelsat of international public telecommunications services, in order to ensure the performance of the Core Principles (i.e., maintaining global connectivity and coverage, serving the developing countries through service to lifeline connectivity customers, and providing non-discriminatory access).

26. **Goals:** In accordance with the Agreement and the Public Services Agreement, ITSO is entitled to assess and review the performance by Intelsat of its public service obligations, and ITSO is in a position to provide recommendations on the subject of Intelsat's performance of its public telecommunications obligations. In order to support the provision of international public telecommunications services based on the well accepted criteria of high-quality and reliability, global connectivity and coverage, and non-discriminatory access, ITSO, in collaboration with the Notifying Administrations and within the framework of Article XII of the Agreement, continuously assesses the status of the Parties' Common Heritage to ensure that its resources are properly protected. The goals of ITSO are to ensure that it is able to perform its mission, through the establishment of objectives, based on these criteria.

27. **Objectives:** Given the present telecommunications environment and the mission and goals of ITSO, the Director General proposes that the following objectives should be targeted for the period 2008-2013:

Objective 1: Maintain the continuity of the provision of international public telecommunications services.

28. The continuity of international public telecommunications services remains the fundamental objective of ITSO. As such, ITSO is tasked, under the Public Services Agreement, to ensure that Intelsat, Ltd. provides, on a commercial basis, global connectivity and coverage, serves developing countries through service to lifeline connectivity customers, and provides non-discriminatory access. In conformity with the Preamble of the Agreement, ITSO shall ensure that these Core Principles are fulfilled on a "continuing basis." Because the provision of international public telecommunications services meets the strategic and vital needs of all countries, these services should be protected from market risks.

29. Before restructuring, INTELSAT provided international public telecommunications services that enjoyed privileges and immunities in many of its member States, including certain tax exemptions. In addition, investment funding was an obligation of the Signatories, and the Parties granted landing rights to INTELSAT. Additionally, Article XIV ensured priority access by INTELSAT to the radio frequency spectrum and geostationary orbital space and placed restrictions generally on the ability of "separate systems" to access many of INTELSAT's traditional markets. Moreover, some of INTELSAT's Parties enforced the exclusive use of INTELSAT telecommunications services by their national telecommunications service providers.

30. After restructuring, the privatized Intelsat no longer enjoys such privileges and immunities, but has been required to continue to provide international public telecommunications services. However, the gradual restructuring of the market through the privatization of other intergovernmental satellite organizations has generated a strong trend for satellite operators to consolidate, drawing the attention of private equity funds to the sector in their quest for short term gains.

31. Intelsat, as other satellite operators, has been subject to a series of leverage buy-outs by private equity funds. These transactions have resulted in a dramatic increase of Intelsat's indebtedness that is likely to limit its capacity to renew its aging fleet, and jeopardize its ability to fulfill in the long-term its public service obligation in case of a market downturn or financial distress. It is therefore imperative to adopt and carry through actions aimed at ensuring the continuity of public telecommunications services under any circumstances.

32. To assist in this objective, the Director General will continue to define actions in light of new developments in international satellite services. These actions include:

- (i) Reviewing the relevant provisions in the "Public Services Agreement" (PSA) between ITSO and Intelsat so as to improve the monitoring and the supervisory tasks of the ITSO, notably by:
 - Working with Intelsat to refine the technical, operational, and financial criteria enabling ITSO to better evaluate fulfillment by Intelsat of its public services mission;
 - Assisting in the formulation of Intelsat's investment programs to duly take into consideration the long-term requirement for public services of high-quality and reliability;

- Exploring with Intelsat the requisite conditions to speed up the delivery, on a commercial basis, of new public services such as DTH and broadband services.

- (ii) Working with Intelsat on an appropriate business model which should incorporate eligibility criteria, price protection, renewal option and continuity of services to ensure a continued protection of the LCO services beyond 2013.
- (iii) Building constructive and effective partnerships with various member States so that ITSO can leverage on the strengths of the national regulators to enforce compliance with the Public Service Obligations, namely the LCO protection.

Objective 2: Protect the Parties' Common Heritage orbital locations and associated frequency assignments.

33. The Parties' Common Heritage resources are quite unique in their capability to ensure global coverage and to directly, instantly and reliably connect countries around the world. It had taken the original international organization prior to privatization several decades of efforts to secure these orbital locations, including their proper coordination and registration with the ITU. In recognition of the critical role they continue to play today in assuring fulfillment of public service obligations, all member States of ITSO have accorded the INTELSAT system priority over their own national and regional satellite systems resulting in prime locations in the geostationary orbital arc. In the prevailing business climate of the satellite telecommunications sector, the market value of orbital slots has increased, making them the object of trading and other kinds of exchange operations. For ITSO, the loss of any of these orbital locations would not only be irreversible, but could also have dire consequences in respect of the obligations embodied in ITSO's Core Principles and the unfettered access of the international community to affordable, non-discriminatory telecommunications services.

34. To assist in this objective, and in accordance with Articles IX, X and XII of the Agreement, the Director General continues to define actions to ensure that the Parties' Common Heritage assets are preserved to support the public services core principles and facilitate access to new services. These actions include:

- (i) Working with the Parties to accelerate the entry into force of the amendment to Article XII, Paragraph (c) (ii);
- (ii) Working closely with the Notifying Administrations to ensure that "Intersystem Coordination" undertaken by Intelsat is not affecting the

long-term ability of the Company to fulfill its public services obligations;

- (iii) Working with the Notifying Administrations and Intelsat on activities and means to expand access to lifeline countries;
- (iv) Encouraging the Notifying Administrations, in cooperation with the Director General, to undertake consultations with the ITU concerning dependent user needs for satellite telecommunications;
- (v) Working with the Parties and the Notifying Administrations to ensure that the Parties' Common Heritage orbital locations are used in conformity with the Core Principles of ITSO, including the provision of broadband services in rural and underserved areas.

Objective 3: Contribute to the promotion of a global information and communications infrastructure.

35. ITSO's structure offers a valuable forum where member States can work together to promote awareness of the importance of open, fair and competitive satellite communications markets to improve the availability of international public telecommunications services. The development of a global information and communications infrastructure is a key element in promoting "digital opportunities." Satellite technology, by its ability to provide global coverage and connectivity, is an important means of ensuring the continued development of a global information and communications infrastructure.

36. The World Summit on the Information Society (WSIS) held in Geneva in 2003 and in Tunis in 2005, recognized the importance of satellite communications for the establishment of a global information and communications infrastructure and called for the provision of global high-speed satellite services for underserved areas such as remote and sparsely populated areas.

37. The purpose of the privatization of the operating activities of the Organization was not only to ensure the long-term continuity of the provision of the services existing at that time. As spelled out in Article V of the ITSO Agreement, access to future telecommunications services¹⁰ offered by the Company was one of the key objectives of the privatization. Recent developments have proven that the satellite technology has the potential to serve broadband to the home and thus contribute to reducing the widening "broadband divide" between developed and developing regions.

¹⁰ AP-19-3E Final, page 12, paragraph 21 determined that the so-called "Direct-to-Home" services were part of the public telecommunications services.

38. To assist in this objective the Director General continues to define actions to support satellite telecommunications, such as:

- (i) Working with Intelsat to ensure the availability of non-discriminatory access to future public telecommunications such as broadband services.
 - (ii) Contributing, as appropriate, to the follow-up of the World Summit on Information Society (WSIS), notably in support of the ITU Secretary-General Initiative "Connect the World to help connect the unconnected by 2015," and the United Nations Millennium Development Goals whose Goal 8, Target 8.F stipulates that "the benefits of new technologies, especially information and communications should be made available, notably through the cooperation with the private sector".
 - (iii) Reinforcing awareness among all users and providers of telecommunications services of the central, and continuing role, played by satellites. In particular, emphasizing the role of satellites in support of the convergence of services delivered directly to users, such as consumer broadband services, and the necessity of satellite services to compete with, and complement cable services.
 - (iv) Promoting with telecommunications policy makers and regulators the key role played by satellites in providing "digital opportunities," in order to extend the benefits of satellite communications to developing countries, and raising awareness of the advantages of open markets, in promoting global information and communications technology build-out.
 - (v) Strengthening the relationship with other international organizations and ICT actors to broaden ITSO's opportunity for insight and knowledge and move forward with a view to attaining the best interest of the information society.
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