



TODAY

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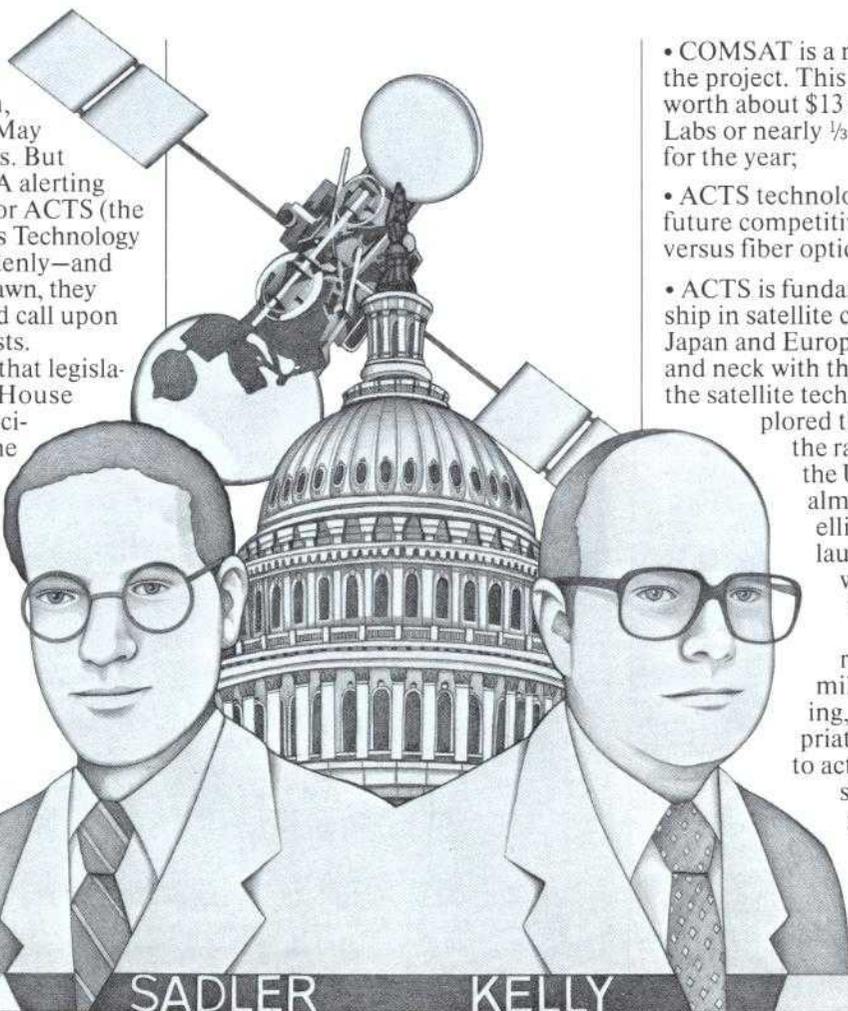
VOL. 3 NO. 5

ACTS Clears First Hurdles, Others Ahead

Ernie Kelly and Tom Sadler, COMSAT's Congressional Relations team, came to work on Monday May 2 expecting no major crises. But when a call came from RCA alerting them that critical support for ACTS (the Advanced Communications Technology Satellite) funding had suddenly—and unexpectedly—been withdrawn, they knew the days ahead would call upon their best efforts as lobbyists.

The call informed them that legislation being written by the House Subcommittee on Space, Science and Applications for the FY89 budget for NASA would contain no authorization for ACTS. The Subcommittee's chairman, Rep. Bill Nelson (D-Fla.), traditionally a strong, vocal supporter of ACTS, was recommending that the money needed for the program next year not be included in the bill.

The news was of crisis proportion to Sadler and Kelly—whose task is to inform and persuade Congress on issues of importance to COMSAT—for several reasons:



- COMSAT is a major contractor on the project. This year alone, ACTS is worth about \$13 million to COMSAT Labs or nearly 1/3 of its R&D budget for the year;

- ACTS technology is critical to the future competitiveness of satellites versus fiber optic cables; and,

- ACTS is fundamental to U.S. leadership in satellite communications. Japan and Europe are reportedly neck and neck with the U.S. in developing the satellite technologies being explored through ACTS. Losing the race could not only cost the U.S. prestige but would almost certainly shift satellite manufacture and launch to the countries with the latest technologies.

Already, ACTS has received some \$300 million in federal funding, and the key Appropriations Committee, next to act, did not need a signal of lessening congressional support in a time of tight budgets.

Sadler and Kelly set out to learn just why Subcommittee Chairman Nelson had unex-

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The Battle for ACTS

(cont'd. from pg. 1)

pectedly withdrawn his support—and to devise a strategy aimed at getting ACTS funding included in the legislation.

“Publicly, Nelson said that the program had completed its critical design review and therefore could be transitioned to the private sector, that launch delays would prevent the U.S. from getting into space ahead of its foreign competitors and that ACTS had suffered overruns that could not be justified in a tight budget year,” said Sadler.

Having determined that the best strategy for getting program funding restored was to try to get an amendment relating to ACTS added during mark-up (discussion and drafting) of the legislation, Sadler and Kelly turned to the Ranking Member of the Subcommittee, Rep. Robert Walker (R-Pa.), and Rep. Connie Morella (R-Md.), both of whom agreed to offer the amendment. To generate bipartisan support, the two lobbyists, along with help from Sen. Barbara Mikulski (D-Md.), also enlisted Rep. Tom McMillen (D-Md.) as a co-sponsor.

During the mark-up session, Chairman Nelson offered another surprise. “Probably sensing that ACTS had support, he offered an amendment that would have added funds for the program and the Transfer Orbit Systems upperstage—a total of about \$88 million—to the committee bill,” Sadler said.

“His amendment potentially set ACTS up for a kill. It would have pushed the proposed funding for NASA over the level recommended in the President’s budget. ACTS would have looked like a ‘budget buster,’ exposed out there by itself,” he explained.

After an intense two days of lobbying subcommittee members to win support for the program, Kelly and Sadler felt that nine of the 26 votes were solidly in their camp and that seven were leaning toward their side.

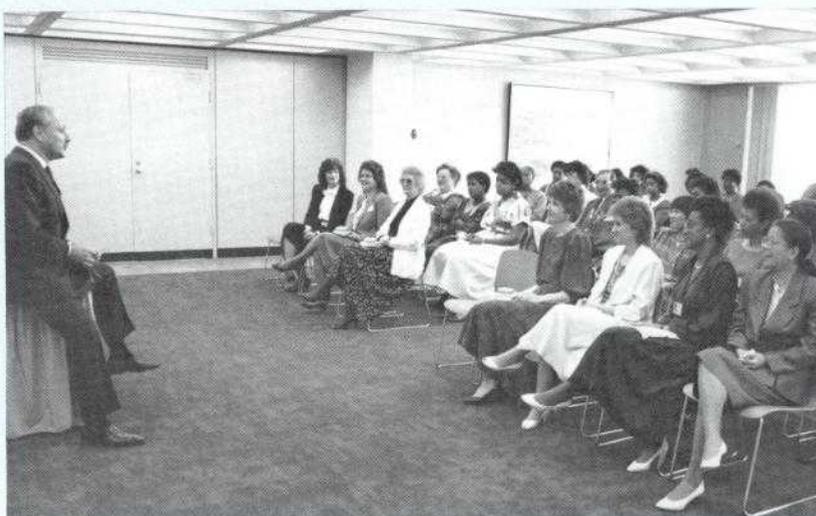
Augmenting the lobbyists’ legwork, Corporate Affairs Vice President Dick McGraw sent a letter to Subcommittee Chairman Nelson urging his continued support for ACTS. Also, COMSAT Chairman Irving Goldstein paid some personal visits to key members on the Committee.

The efforts paid off. Subcommittee members voted 14 to 11 against Nelson’s ‘ACTS buster’ amendment—and 14 to 11 in favor of the Walker-Morella-McMillen amendment.

The bill, as passed by the subcommittee, went next to the Space, Science and Technology Committee, where after another week of lobbying at the full Committee level, Rep. Nelson abandoned any thoughts of revisiting the ACTS issue. At the same time the Appropriations Subcommittee that handles NASA announced its mark-up, again on two

days notice. “That opened up a second front for us,” said Kelly. Fortunately, the support for the program in that Committee remained solid. On May 12, the House Appropriations Subcommittee set funding for ACTS at \$75 million for FY ’89.

The bills will go to the House floor for votes. The Senate must then prepare its versions. “Hopefully, we won’t have any surprises over there,” said Kelly. Any differences with the House bills will have to be ironed out in conference—and sent back for a vote in both Houses. Stay tuned! 🌐



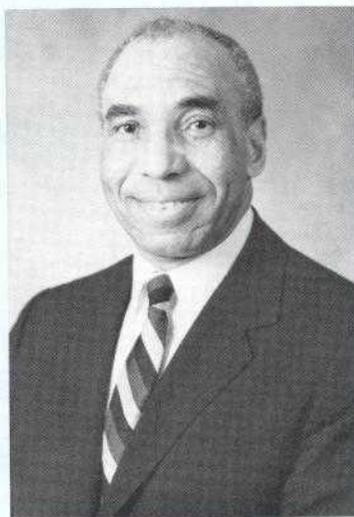
COMSAT Chairman Irving Goldstein hosted a get together for the company's secretaries during National Secretaries Week last month. Top, Goldstein addresses Plaza secretaries; bottom, he meets with Clarksburg employees.

Photo: Carrol Haugh

Shareholder Agenda Set



Howard M. Love



Roscoe Robinson, Jr.

At press time, two newcomers were among the 12 nominees for election to the COMSAT Board of Directors, with the vote due on directors, accountants and other matters set for May 20 at Clarksburg during the annual meeting of shareholders.

Seeking election to the COMSAT Board for the first time were Howard M. Love and Roscoe Robinson, Jr.

Love, 57, has been Chairman and Chief Executive Officer and a director of National Intergroup, Inc. (formerly National Steel Corporation), a diversified holding company, since 1981. He also is a director of Hamilton Oil Corporation, Monsanto Company and TW Services, Inc.

Robinson, 59, has been a consultant

to Planning Research Corporation (a subsidiary of Emhart Corporation), a diversified professional services company providing systems engineering and information services worldwide, since his retirement from the U.S. Army in 1985. He retired as a four-star general, having served since 1951. From 1982 through 1985, he was U.S. representative to the Military Committee of the North Atlantic Treaty Organization.

Other nominees include Lucy Wilson Benson, Joseph V. Charyk, Frederick B. Dent, Walter A. Fallon, Irving Goldstein, Arthur Hauspurg, Melvin R. Laird, Peter W. Likins, Robert G. Schwartz and Bruce Sundlun.



Circle June 25: It's Picnic Time

This year's COMSAT employee picnic is set for Saturday, June 25. Again, it will be held at the Cedar Crest Country Club in Centreville, Va.

Although the site will be the same as last year, picnic organizers in the COMSAT Employees Association are trying to make a deal with the weather department for more balmy temperatures than those picnic goers endured during last year's event.

Watch for more details as the date approaches.

Golf Tournament Slated June 10

The annual COMSAT invitational golf tournament has been scheduled for Friday, June 10 beginning at 9 a.m. at the Bretton Woods Recreation Center in Germantown, Md. Due to limited space, only the first 20 foursomes will be accepted.

The \$30 entry fee, which includes greens fee and cart, must be received in Human Resources Dept., Room 7187-Plaza, by June 7. For more information, call ext. 6354.

A second golf tournament, also to be played at Bretton Woods, has been scheduled for October 21.

COMSAT First Quarter Net Income Up

COMSAT Corporation reported Consolidated Net Income of \$14.3 million, or \$.77 per share, for the first quarter of 1988, up from \$8.5 million, or \$.46 per share, for the same quarter last year. Last year's first quarter included a \$5.5 million after-tax reserve for the FCC's refund order.

First quarter revenues increased \$3.4 million over the same period last year to \$84.1 million. Operating Income was \$18.4 million, down from last year's first quarter \$22.9 million.

COMSAT's report of first quarter results reflected for the first time its three business segments: Interntional (INTELSAT and INMARSAT activities); Systems (COMSAT General and other government and commercial systems activities); and Video Entertainment (CVE).

Most of the quarter's revenue gain related to COMSAT's full ownership of COMSAT Video Enterprises (CVE). While CVE revenues increased, Intel-sat Satellite Services' (ISS) revenues

declined. ISS traffic volume grew, but as rate reductions for services provided under long-term contract went into effect, revenues declined.

The reduction in ISS revenues and higher costs associated with handling increased traffic volume led to the decrease in operating income. Lower operating costs in government and commercial systems helped to offset the ISS decrease.

Test To Learn More About Flat Plate

For the past two months COMSAT Laboratories has been testing a new version of the flat antenna.

Although a COMSAT-designed flat antenna for receiving satellite transmissions is already for sale in Japan and is scheduled to appear in European stores later this year, the antenna's designers continue to experiment with the product.

With the antenna perched atop COMSAT Laboratories in Clarksburg and aimed to receive signals from the SATCOM K-1 and K-2 satellites, researchers at the Labs and product managers with COMSAT Video Enterprises are studying how antenna size affects reception quality—and how it stands up under the elements. CVE's Dan Wells reports that tests have been very encouraging.

The flat antenna is made up of four .65 meter panels joined to make a single 1.3 meter antenna. Tests have involved analyzing reception quality using one, two, three or all four panels.

Matsushita Electric Works manufactures and sells the COMSAT-designed antenna.



Looking Back: Memorable Dates In May

- 16 years ago, on May 22, 1972, TV coverage of President Nixon's historic visit to the Soviet Union—the first ever by a U.S. President—was beamed via satellite to a worldwide audience. Transmission of the broadcast traveled via land-based facilities to the Raisting, W. Germany earth station for uplink to the INTELSAT satellites.
- 12 years ago, on May 13, 1976, COMSAT launched the first satellite in its COMSTAR series. Leased to

AT&T, it was the first domestic satellite used for long-distance telephone service in the U.S.

- 4 years ago, on May 31, 1984, COMSAT introduced the world's smallest, lightest and most economical maritime satellite communications terminal. The MCS-9100, weighing less than 100 pounds, was ideally suited for use on yachts, fishing boats and other small-sized craft.

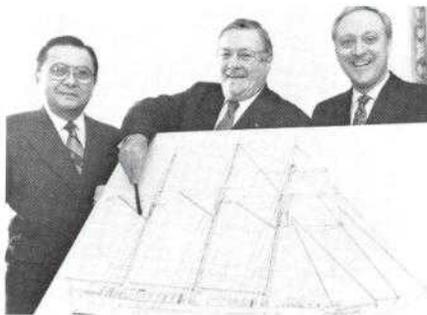
COMSAT Donates Terminal To Medical Ship

When COMSAT donated a maritime satellite antenna to the Marimed Foundation last month, it provided a valuable communications link that will enable doctors aboard the Foundation's new medical services vessel to consult with experts thousands of miles away in the diagnosis and treatment of illness.

COMSAT's donation was praised by Sen. Daniel Inouye, (D-HI), and Dr. William B. Walsh, Marimed board member and head of Project Hope, an organization that also provides ship-based health care services. Sen. Inouye has strongly supported the work of the Marimed Foundation, which is based in Hawaii.

The non-profit Foundation provides traveling health care services to communities in the Republic of the Marshall Islands. The satellite termi-

nal has been placed on the Foundation's first medical services vessel, a three-masted top-sail schooner called the *Tole Mour*, which in Marshallese means gift of life and health. It is scheduled to sail from Seattle, where it was built, to the Marshall Islands this summer.



L-R: Inouye, Walsh, Goldstein with model of ship.

The INMARSAT Standard A terminal will enable medical personnel aboard the vessel to exchange data and to place private telephone calls. It will permit instantaneous communications with Marimed headquarters in Honolulu.

Chairman Irving Goldstein said COMSAT was delighted to support Marimed. "It gives us great satisfaction to play a small part in bringing quality health care to people who, without organizations like Marimed and Project Hope, would not have access to the help they need. Access to worldwide communications through the satellite terminal we have donated will give the doctors, dentists and health educators working aboard the *Tole Mour* and extra resource upon which to draw. We wish them much success."

Safecom Moves Off Starting Line

Safecom, the joint venture between COMSAT General and Timeplex established last fall, is off and running. Early in May, Safecom announced the connecting of its first customer—mortgage banker Goldome of Buffalo, N.Y., which contracted for telecommunications services between New York and Seattle.

Shortly thereafter, Safecom connected its second customer, Avon Products, with a circuit between Los Angeles and New York. At presstime, a third customer, TRT, Inc. was scheduled to be turned up between Miami and New York.

Safecom has also sold T-1 circuits to a long-distance reseller for traffic between Los Angeles and New York, Chicago and San Francisco.

Safecom, 51 percent owned by Timeplex and 49 percent by COMSAT General, provides T-1 communications services at prices dramatically lower than those that public and

private carriers offer over comparable transmission facilities. T-1 customers have use of 24 voice-grade circuits or multiple data lines bundled into a single, high-speed transmission link.

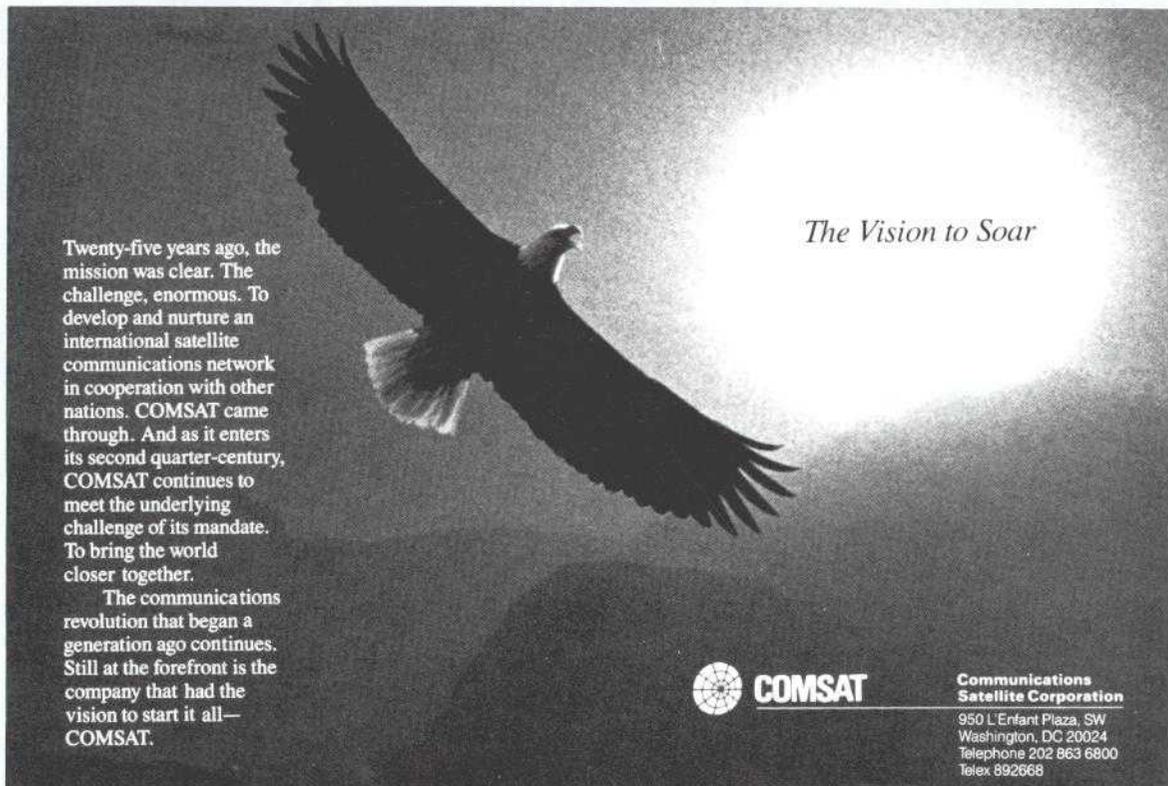
Based in Woodcliff Lake, N.J., Safecom is able to offer lower rates—at savings of up to 75 percent—because it has assembled a low-cost network. COMSAT General's Comstar D-2 and D-4 satellites, which are being operated using the fuel-saving COMSAT Maneuver, provide the space link. The network's earth stations, located in nine major U.S. markets, were purchased in a bankruptcy sale.

Each of the Comstar satellites can handle 280 T-1 circuits. Safecom plans, however, to sell only 280 circuits, using the other satellite for redundancy. Cities that can be connected via Safecom include Los Angeles, Houston, Chicago, Detroit, Atlanta, Miami, San Francisco, Seat-

tle and New York.

Customers who already rely on terrestrial T-1 service but who need instant access to redundant or overflow facilities to avoid any breaks in service are the target of Safecom's marketing efforts. Safecom can offer them protection against network downtime, which, for some, can cost millions of dollars each hour.

To augment that protection, Safecom earlier this month announced a co-marketing agreement with Comdisco Disaster Recovery Services, Inc., whereby they will offer end-to-end recovery and transmission service, thus assuring customers of an uninterrupted flow of information even if the customer's computer center is disabled by disaster. Comdisco provides disaster recovery for computer centers and Safecom reroutes the data stream to a designated Comdisco recovery site.



Twenty-five years ago, the mission was clear. The challenge, enormous. To develop and nurture an international satellite communications network in cooperation with other nations. COMSAT came through. And as it enters its second quarter-century, COMSAT continues to meet the underlying challenge of its mandate. To bring the world closer together.

The communications revolution that began a generation ago continues. Still at the forefront is the company that had the vision to start it all—COMSAT.

The Vision to Soar

 **COMSAT**

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This advertisement is running in the official publications of the Kemper Open and Lombardi Invitational golf tournaments. COMSAT is one of several sponsors of these tournaments. The Kemper raises funds for several local charities while the Lombardi raises money for the American Cancer Society