

Intelsat Channels/Carrier Services Retirement Plan



FIFTY YEARS
LEADING IN SPACE

SNMC 22nd meeting – December 2014
Ababacar GAYE



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Agenda

- Channels/Carriers Product Overview
- Retirement Overview
- Channels Customers Categories
- Options for Continuity of Service
- Opportunity for Improved Efficiency
- Next Steps



What Are Channels & Carrier Services?

- Legacy products developed for international traffic between the former Intelsat Signatories
 - IBS: Intelsat Business Services
 - IDR: Intermediate Data Rate
 - TCM/IDR: Treillis Coded Modulation IDR
- Pre-engineered service quality, and sold in Mbps for specified periods of time (Long Term Commitments - LTC)
- Rates are under tariff and determined by throughput, commitment term, and antenna size
 - Rates have been constant since 1998
 - Many customers purchased LTCs in 2000, with the majority of those due to expire in 2015
- Carrier Services are concentrated primarily on nine satellites within the legacy Intelsat fleet
 - IS-18, 901, 902, 903, 904, 905, 906, 1002, NSS-9



Why is IntelSat Retiring Channels?

- Bilateral traffic marketplace disrupted by proliferation of MPLS/fiber and IP services
 - Correspondent business model of traffic exchange no longer applies
 - Customers now have option to use fiber for services once carried by satellite
 - Some customers closing earth stations – exiting satellite business
- LTCs purchased during last sales push in 2000 due to expire in 2015
- Advances in modem efficiency improves economics of Transponder Lease services



Channels Customer Categories

Committed & Expire by Dec. 2015

- Majority of remaining contracts
- Customers may renew expiring LTCs under Channels Terms & Conditions with end dates no later than December 31, 2015
- Any continuity requirements beyond 2015 will require new Transponder contract

Committed & Expire after Dec. 2015

- Small number of customers
- Intelsat to work with customers to convert remaining LTCs to Transponder contract
- Opportunity for customers to improve economics through improved link efficiency

Fully Uncommitted

- Customers whose LTCs have expired & are month to month
- Any remaining services will need to renew under Transponder Lease contract to continue beyond December 31, 2015



Product Comparison



Channel Services	Transponder Services
Services sold as Mbps guaranteed throughput	Services sold as MHz – customer manages throughput & performance
Pricing fixed and independent of role	Pricing dependent upon role & beam selected
Portability of capacity between roles	Capacity fixed on specific role
Intelsat coordinates between correspondents	Customer coordinates with its correspondent partners
LTCs can be combined or separated to meet requirements	MHz allocations are fixed for contract term



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Service Efficiency Comparison

- Channels services based upon QPSK modulation
 - For example: 2 Mbps IDR consumes 2 MHz of capacity
 - Using 8PSK TPC .875, required bandwidth is reduced by 40%, or throughput can be increased

	Current Solution			Proposed Solution Based on the New Technologies (CnC, Coding & Modulation, Roll Off)					
	Current Mod/Cod	Current BW (MHz)	Current Throughput	Proposed Mod/Cod	Max Throughput, Same BW	Same Throughput, Less BW (MHz)	CnC Technology	BW Saved	Increased Throughput
IS-904 EH/EH	IBS QPSK 3/4	4.185	2x2048 kbps	16ARY 0.75	2x5800 kbps	0.72	YES	82.80%	283.20%
IS-902 NW-SW	TCM/IDR 8PSK	3.195	2x2048 kbps	16ARY0.8/32 ARY0.85	3500+4160 kbps	1.80	N/A	43.66%	187.01%
IS-905 EH-NE	IDR QPSK 3/4	2.025	2x1024 kbps	32ARY0.8/32ARY0.7	3800+3500 kbps	0.57	N/A	71.85%	356.45%

Source: Comtech EF Data

- Equipment of both customer & correspondent must operate using higher order modulation & coding
- Comtech EF Data developed a special offer for customers looking to upgrade equipment & improve efficiency
 - Contact Comtech directly at intelsatchannelsupgrade@comtechefdata.com



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What Do Customers Need To Do?

- Review portfolio and determine need for services in 2016 & beyond
- Contact Intelsat to discuss alternatives:
 - Speak with your Intelsat Account Director or Carrier Order Management at carrier-mgmt@intelsat.com
- IS-904 replaced by IS33e in 2016
 - Planning underway now for transition. If you need continuity and have not been in contact with Carrier Order Management, please do so now
- Key contacts:
 - Lare Atcha-Oubou: Regional Director West and Central Africa
 - Colleen Parent: Manager, Carrier and Trunking Product Management
 - Ababacar Gaye: Principal Customer Solutions Engineer





Thank you! Questions?



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